



# Jyoti Ltd.

Water • Power • Progress



# 73<sup>rd</sup>

**ANNUAL REPORT**  
2016-2017

70 Years of Engineering Excellence

## BOARD OF DIRECTORS

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

## AUDITORS

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

## BANKERS

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

## REGISTERED OFFICE

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

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice	2
Boards' Report	10
Independent Auditors' Report	48
Balance Sheet	56
Profit and Loss Account	57
Notes to Financial Statements	58
Cash Flow Statement	77
Consolidated Accounts	79

## 73rd Annual Report

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### NOTICE

NOTICE is hereby given that the SEVENTY THIRD ANNUAL GENERAL MEETING (AGM) of the Members of JYOTI LIMITED will be held on **Thursday, 28<sup>th</sup> September, 2017 at 9.00 a.m.** at the Registered Office of the Company at Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara – 390 003, to transact the following business:

### ORDINARY BUSINESS

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

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the Financial Year ended on 31<sup>st</sup> March, 2017, including the audited Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

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

To appoint a director in place of Smt.Tejal Amin (DIN: 00169860) who retires by rotation and, being eligible has offered herself for re-appointment.

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

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Company hereby appoint M/s. Amin Parikh & Co., Chartered Accountants, Vadodara (holding Registration No.100332W), as the Statutory Auditors of the Company to hold office from the conclusion of the 73<sup>rd</sup> Annual General Meeting until the conclusion of the 78<sup>th</sup> Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting held after this Annual General Meeting, on such remuneration as may be decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS

#### Item No.4- Remuneration of Cost Auditors

To approve the remuneration of the Cost Auditors for the Financial Year ending on 31<sup>st</sup> March, 2018 and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee of the Board of Directors, to conduct the audit of the cost records of the Company for the Financial Year ending on 31<sup>st</sup> March, 2018, be paid the remuneration as follows:

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

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

**Item No. 5 – Creation of mortgage / charge for Borrowings / Financial Assistance availed**

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

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

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

**Item No.6 – Adoption of new set of Articles of Association**

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

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

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

Regd. Office :  
Nanubhai Amin Marg  
Industrial Area  
P.O. Chemical Industries  
Vadodara-390 003  
CIN: L36990GJ1943PLC000363  
28<sup>th</sup> June, 2017

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



### NOTES

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

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

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only the first holder will be entitled to vote.
6. Relevant documents referred to in the Notice and the Statement under Section 102 of the Companies Act, 2013, will be available at the Registered Office of the Company for inspection by the Members on all working days between 10.00 a.m. and 12.00 noon.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 21<sup>st</sup> September, 2017 to Thursday, 28<sup>th</sup> September, 2017 (both days inclusive) for the purpose of Annual General Meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
9. The Company has appointed M/s. MCS Share Transfer Agent Limited as its Registrar and Share Transfer Agent for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents related to transfers, demat requests, change of address intimations and other communications in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly at their following address quoting folio no., full name and name of the Company as Unit: Jyoti Limited.

MCS Share Transfer Agent Limited

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

Tel. : 0265-2314757, 2350490

Fax : 0265-2341639

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

10. Members are requested to send in their queries in respect of Financial Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2017, at least one week in advance so as to enable the Management to keep the information / relevant documents readily available at the time of the Annual General Meeting.
11. The Ministry of Corporate Affairs (MCA) has vide Notification dated 10<sup>th</sup> May, 2012, issued the Investor Education and Protection Fund (IEPF) (Uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012 has mandated the Companies to furnish information regarding unpaid and unclaimed dividend amounts lying with the Companies

along with particulars of names, addresses, etc. of investors. In line with the same, your Company has furnished the information on its own website [www.jyoti.com](http://www.jyoti.com). Members are requested to check the particulars and put up their claim for amount lying unclaimed with the Company to the Registrar and Share Transfer Agent.

12. Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF (Investor Education Protection Fund) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of 7 (seven) years. Shareholders who have so far not encashed the dividend warrant(s) for the Financial Year 2009-10 are requested to make their claim to the Company Law Department at the Registered Office of the Company or the Office of the RTA on or before 29<sup>th</sup> October, 2017.

Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / MCS Share Transfer Agent Limited.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MCS Share Transfer Agent Ltd.
15. Members holding shares in single name and physical form are advised to make nomination by filling up Form No. 2B in respect of their shareholding in the Company. The duly filled up nomination form should be sent to MCS Share Transfer Agent Ltd. for further process.
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Share Transfer Agent Ltd., for consolidation into a single folio.
17. Non-Resident Indian Members are requested to inform MCS Share Transfer Agent Ltd., immediately of:
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
18. As the Company has adopted the practice of Green Initiative, Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
19. Relevancy of questions and the order of speakers at the Meeting will be decided by the Chairman.

**20. Voting through electronic means:**

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

## 73rd Annual Report

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

- (i) The voting period begins on 25<sup>th</sup> September, 2017 at 10.00 a.m. and ends on 27<sup>th</sup> September, 2017 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date which is 21<sup>st</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.
- (iv) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **JYOTI LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - “m-Voting” for e-voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e-voting credentials to vote for the Company resolution(s).
- (xix) Note for Non – Individual Shareholders and Custodians

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

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

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

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

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

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

**Other instructions:**

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



## 73rd Annual Report

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**  
**Particulars of the Directors seeking appointment /re-appointment at the ensuing Annual General Meeting pursuant to the requirement of Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard.**

<b>Name of Director</b>	<b>Smt. Tejal Amin</b>
<b>Date of Birth</b>	29.08.1960
<b>Date of Appointment</b>	31.03.2015
<b>Expertise in Specific Functional Areas</b>	Management & Finance
<b>Qualification</b>	B.Com.
<b>List of other Directorships</b>	1. JSL Industries Ltd. 2. Insutech Industries Limited 3. Vadodara Marathon 4. Tapovan Education Institute
<b>Chairman / Member of the Committees of the Board of the Company</b>	-
<b>Chairman / Member of the Committees of the Board of other Company(ies)</b>	Chairperson Vadodara Marathon
<b>Shareholding in the Company</b>	6,42,113

### **Item No. 4 - Remuneration of Cost Auditors**

In terms of the provisions of Section 148 of the Companies Act, 2013 and based on the recommendation of the Audit Committee, the Board of Directors had approved the appointment and remuneration of M/s. R. K. Patel & Co. and M/s. Y.S. Thakar & Co., as the Cost Auditors to carry out the audit of Cost Records for certain specific products of the Company viz. Motors & Pumps and Generators, Turbines, Switchgears and Relay Panels (collectively called as "Products") respectively for the Financial Year ended on 31<sup>st</sup> March, 2018 as per the following details.

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

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution, as set out at Item No. 4 of the Notice, for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year 2017-18.

The Board recommends the resolution set out at Item No. 4 of the Notice for your approval.

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

### **Item No. 5 – Creation of mortgage / charge for Borrowings / Financial Assistance availed**

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

Accordingly, at the Seventieth, Seventy-first and Seventy-second Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2014, 10<sup>th</sup> December, 2015 and 26<sup>th</sup> November, 2016 respectively, it was proposed to obtain a fresh approval of the shareholders under Section 180(1)(a) of the Companies Act, 2013, by way of a Special Resolution to secure the borrowings / financial assistance, in line with the said notification as the Company has already created and would be required to create security by way of mortgage / charge and / or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. The Resolutions were, however, not approved in all the three previous Annual General Meetings, as the votes cast against were more than the votes cast in favour of approval.

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

The Board, therefore, recommends the resolution at Item No. 5 of this Notice for your approval.

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

#### **Item No.6 – Adoption of new set of Articles of Association**

The extant Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the new Companies Act, 2013 ('the Act').

With the advent of the new Act, several provisions of the existing AoA of the Company require substantial alterations. In such a situation, it was considered expedient to substitute the existing AoA in its entirety by adopting a new set of Articles altogether and a Special Resolution for the same was proposed to the shareholders at the Seventieth, Seventy-first and Seventy-second Annual General Meetings of the Company held on 22<sup>nd</sup> September, 2014, 10<sup>th</sup> December, 2015 and 26<sup>th</sup> November, 2016. The Resolutions were, however, not approved in all the three previous Annual General Meetings, as the votes cast against were more than the votes cast in favour of approval.

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

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

The Board once again recommends the resolution set out at Item No. 6 of this Notice for your approval.

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

Regd. Office :  
Nanubhai Amin Marg  
Industrial Area  
P.O. Chemical Industries  
Vadodara-390 003  
CIN: L36990GJ1943PLC000363  
28<sup>th</sup> June, 2017

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

## 73rd Annual Report

### BOARDS' REPORT

To,  
The Members of **Jyoti Limited**

Your Directors present this 73<sup>rd</sup> (SEVENTY THIRD) ANNUAL REPORT and Audited Accounts for the year ended on 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

Particulars	(` in lakhs)			
	2016-17		2015-16	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	26921.09	30257.76	21486.38	23778.88
Operating EBITDA	1976.50	2978.24	89.06	672.00
Add : Other Income	356.84	358.06	384.26	385.49
Profit/(Loss) before Finance Cost & Depreciation	2333.34	3336.30	473.32	1057.49
Less : Finance Costs	7357.08	7357.08	7501.05	7501.05
Less : Depreciation and Amortization	1069.32	1150.06	1350.69	1387.57
Less: Exceptional Item	6360.97	6360.97	-	-
Profit/(Loss) before Taxation	(12454.03)	(11531.81)	(8378.42)	(7831.13)
Less : Tax Expense	(30.78)	76.81	(98.66)	(29.73)
<b>Balance of Profit/(Loss) for the year</b>	<b>(12423.25)</b>	<b>(11608.62)</b>	<b>(8279.76)</b>	<b>(7801.40)</b>

### PERFORMANCE

1. There was a marked improvement of 25% in net sales of your Company at ` 26521 lakhs for the year ended on 31<sup>st</sup> March, 2017 as compared to ` 21243 lakhs of the previous year. The other operating income at ` 400 lakhs was also higher as compared to ` 243 lakhs during the previous year.
2. The cost of material consumed marginally reduced to 73% of sales value at ` 19407 lakhs as compared to 75% of sales value at ` 15840 lakhs during the previous year.
3. The Employee benefits expenses stood at ` 3031 lakhs as compared to ` 3081 lakhs during previous year due to rationalization of manpower.
4. Other Expenses for the year were comparable at ` 2313 lakhs against to ` 2219 lakhs during the previous year.
5. Increase in sales, reduction in material consumption coupled with lower overheads resulted in an EBITDA of ` 1976 lakhs compared to ` 89 lakhs during the previous year.
6. The other income at ` 357 lakhs during the year was comparable with ` 384 lakhs during the previous year.
7. The Finance Cost of ` 7357 lakhs during the year was marginally lower compared to ` 7501 lakhs during the previous year.
8. The net loss for the year was lower at ` 6093 lakhs compared to ` 8379 lakhs during the previous year.
9. After detailed assessment of receivables outstanding, your Company has considered making a provision for doubtful debts amounting to ` 6361 lakhs, as an Exceptional Item.

10. Consequently, the total loss before tax for the year was higher at ` 12454 lakhs as compared to ` 8379 lakhs and after giving effect to tax expense, the net loss for the year stood at ` 12423 lakhs compared to ` 8280 lakhs during the previous year.

## **CURRENT OUTLOOK**

The severe financial crunch faced by your Company in recent years made it difficult to fulfil the commitments of servicing the loans from consortium member banks resulting in the Company being classified as a non-performing asset in the books of the lenders. The lending banks have commenced proceedings under relevant provision under section 13 (2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”), which are being addressed by your Company, for an amicable resolution of debts due to lenders. Your Company has been of the view that given its status as an ongoing operating Company with improved business prospects, the lending banks may consider to keep further actions under relevant provisions in abeyance.

While Company's proposals for debt restructuring have hitherto not found favour with the lending banks, it may be noted that the Company's performance has shown a marked improvement in operations during the year under review. Your Directors are very positive about the Company's viability and optimistic about its future.

With the Central Government's clear thrust on infrastructure development for last two years, there is marked revival in water and irrigation sectors, which is reflected in improved operations of the Company during the year under review. The Company continues to win new contracts and ensures speedy execution through close monitoring. The uptrend is expected to continue.

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standards (AS) 21- Consolidated Financial Statements and AS 27 – Interest in Joint Ventures, issued by the Institute of Chartered Accountants of India, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Audited Consolidated Financial Statements together with the Independent Auditor's Report thereon are annexed and form part of this Annual Report.

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

In consolidation of statements, your Company has considered its share of total revenues amounting to ` 33.37 crores and total assets amounting to ` 30.90 crores. The Company's share of net profit of ` 8.15 crores is included in the Consolidated Financial Statements.

## **DIVISIONAL PERFORMANCE**

### **A. HEAD OFFICE (H.O.) OPERATIONS**

During the year under review, the divisions in H.O. have achieved a sales turnover of ` 212.13 crores as compared to ` 164.22 crores in the previous Financial Year. H.O. operations have registered a growth of 29% compared to the previous Financial Year.

During the year, the in-house productivity has also improved and H.O. operations have achieved in-house manufacturing turnover of ` 115.74 crores as compared to ` 60.10 crores in the last Financial Year. This growth is 93% as compared to the previous year.

The Company's presence in the Irrigation Sector continues with a major order from M/s. Megha

Engineering & Infrastructures Limited for Devadula Lift Irrigation Scheme, Phase-II, Package-II under Government of Telangana for supply of 3 Nos. Metallic Volute Pumps each with 21 MW motors. The Company has till date designed, manufactured and commissioned Metallic Volute Pumps upto 16 MW. The 21 MW pumps will be the largest to be designed and manufactured by the Company and will add value to its credentials. During the year under review, the Company has also received a major order from Water Resource Division, Chausa, Bihar for design, engineering, manufacturing, supply, erection, testing and commissioning of 4 Nos. of Horizontal Split Case pumps with 670 KW motor along with allied electro-mechanical equipments.

With this, the H.O. operations of the Company have moved to the next Financial Year with a pending order position of ` 353 crores.

During the year, the Company has supplied, erected and commissioned 20 Nos. pumps for Link-1, Package-1 and Link-1, Package-3, Sauni Yojana under Narmada Water Resources Department, Government of Gujarat through Megha Engineering & Infrastructures Limited. Similarly, the Company has successfully supplied, erected and commissioned 20 Nos. pumps for Link-3, Package-1 and Link-3, Package-2, Sauni Yojana along with all allied electro-mechanical equipments, switchyard and control instrumentation including SCADA in a record time through NCC Limited. This is the first time the Company has commissioned 40 Nos. of Vertical Turbine Pumps upto 3100 KW in one Financial Year.

During the year, the Company also wish to put on record supply of 20 Nos. Vertical Turbine Pumps to Somashila Lift Irrigation Scheme in the state of Telangana in record time.

The Company along with Megha Engineering & Infrastructures Limited is executing a major Hydro Project with Sardar Sarovar Narmada Nigam Limited in the state of Gujarat. The Company has to supply 9 Nos. of Kaplan Turbines and Generators each of 5 MW along with allied electro-mechanical equipments. The total value of the order is ` 90 crores. During the year under review, the Company has executed order for ` 48 crores, which includes supply of major turbine components, 6 Nos. Generators of 5 MW each and other electro-mechanical equipments. The Company has also designed, manufactured and supplied 3 Nos. Generators of 8 MW each for Hongadalla Hydro Power Project in the state of Karnataka. This is the largest size Generators manufactured and tested by the Company till date. The Company has also designed, manufactured and supplied 3 Nos. Spherical Valves of 1000 mm size suitable for high pressure applications.

The Company continues to have its leadership in supply of Arnos to Indian Railways and have supplied 53 Nos. of Arnos during the year.

The Company is focusing on lot of major tenders in Water Supply and Lift Irrigation Schemes in the states of Karnataka, Gujarat, Andhra Pradesh and Madhya Pradesh. The Company is also going in for need based tie ups with certain Infrastructure Companies for electro-mechanical works. The Company expects more orders during the next Financial Year and expects a steady growth rate.

### **B. SWITCHGEAR OPERATIONS**

During the year under review, the Switchgear Division achieved sales of ` 5040 lakhs. The VCB production in terms of quantity is around 1145 Nos. and HT Switchgear Panels manufactured are 1135 Nos. The Switchgear Division has received orders worth ` 2950 lakhs in year 2016-17.

In addition to the above, some milestones have been achieved by Switchgear Division, in the Financial Year 2016-17, which are enumerated below:

1. The Division bagged various 11 kV VCB panels order from GETCO worth ` 400 lakhs for 140 Nos. Panels.
2. The Division has done export business of ` 2180 lakhs and received order worth more than ` 800 lakhs from Jyoti Sohar Switchgear LLC (JSSL).



Many Power, Infrastructure and smart city projects as well as Industrial Projects are coming up in next five years and hence, there will be good potential of orders for Medium Voltage Switchgear and RMU Products.

For Medium Voltage Switchgear Products, Switchgear Division is in the process of re-certification of various products as a continuous product certification process in year 2017-18. The Company is confident of achieving better performance in the years to come.

## **EXPORTS**

During the year under review, the Company's exports valued at ₹ 22.53 crores. The Company's major exports are to Sultanate of Oman for Switchgear.

## **PUBLIC DEPOSITS**

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

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

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

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

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

As per Regulation 27(2) of the SEBI (LODR) Regulations, 2015, Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis are given in **Annexure B** forming part of this Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Mrs. Tejal Amin retires by rotation and being eligible, seeks re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the loss of the Company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a 'going concern' basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **BOARD MEETINGS**

The Board of Directors met 7 (Seven) times during the year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Report.

### **AUDIT COMMITTEE**

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

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

The Company does not have any subsidiary.

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

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

### **WHISTLE BLOWER & VIGIL MECHANISM**

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

### **NOMINATION AND REMUNERATION POLICY**

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

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

### **RISK MANAGEMENT**

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

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

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

### **BOARD EVALUATION**

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

- Attendance and participation in the meetings and timely inputs on the minutes of the meetings
- Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
- Interpersonal relations with other directors and management

- Objective evaluation of Board's performance, rendering independent, unbiased opinion
- Understanding of the Company and the external environment in which it operates and contribution to strategic direction
- Safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information

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

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

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

#### **RELATED PARTY TRANSACTIONS**

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

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

The Audit Committee reviews all related party transactions quarterly.

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

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Ravi Kapoor & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report is appended as **Annexure E** forming part of this Report.

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

#### **INTERNAL FINANCIAL CONTROLS**

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

Your Company has in place adequate financial control system and framework to ensure:

1. The orderly and efficient conduct of its business;
2. Safeguarding of its assets;
3. The prevention and detection of frauds and errors;
4. The accuracy and completeness of the accounting records; and
5. The timely preparation of reliable financial information.

Significant observations including recommendations for improvement of the business processes are reviewed by the Management before reporting to the Audit Committee. Audit Committee reviews Internal Audit Reports as well as operating plans and status of implementation of the agreed action plans. This system of internal control facilitates effective compliance of Section 138 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 73rd Annual Report

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The Internal Auditor of the Company checks and verifies the internal control and monitors them in accordance with the policy adopted by the Company. The Board of Directors regularly review the effectiveness of controls and takes necessary corrective actions where weaknesses are identified as a result of such reviews. Based on this evaluation, there is nothing that has come to the attention of your Directors to indicate any material break down in the functioning of these controls, procedures or systems during the year. There have been no significant events during the year that have materially affected, or are reasonably likely to materially affect, our Internal Financial Controls.

### **EQUAL OPPORTUNITY EMPLOYER**

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

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

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

### **STATUTORY AUDITORS**

Pursuant to Section 139 of the Companies Act, 2013 and Rule 6 of the Companies (Audit and Auditors) Rules, 2014 and subsequent amendments / modifications thereof, M/s. V. H. Gandhi & Co., Chartered Accountants, Vadodara, Statutory Auditors of the Company, will be completing their tenure at the ensuing Annual General Meeting.

Therefore, pursuant to provision of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Members are requested to appoint M/s. Amin Parikh & Co., Chartered Accountants, Vadodara (holding Registration No. 100332W) at the ensuing Annual General Meeting to hold office from the Conclusion of 73<sup>rd</sup> Annual General Meeting until the conclusion of 78<sup>th</sup> Annual General Meeting subject to ratification of their appointment by the Members of the Company in every Annual General Meeting held after this Annual General Meeting.

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

A Resolution seeking of their appointment forms part of the Notice convening the 73<sup>rd</sup> Annual General Meeting.

The Auditor's Report for the year under review is self-explanatory and does not contain any qualification or adverse remarks.

### **COST AUDITORS**

Based on the recommendation of the Audit Committee and subject to the ratification of the remuneration of the Cost Auditors by the Members of the Company, the Board of Directors of your Company has appointed the following Cost Auditors for conducting the audit of cost records of the Company for various products for the Financial Year 2017-18:

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

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

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

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

Sick Industrial Companies (Special Provisions) Act, 1985, has been repealed w.e.f. 01.12.2016. With this notification the reference filed by the Company before the BIFR stands abated w.e.f. 01.12.2016.

The whole time member, SEBI vide order dated 1<sup>st</sup> August, 2016, rejected the withdrawal of the Open Offer made by Shri Lavjibhai D Daliya and Anjani Residency Private Limited, Surat, Gujarat. As per the latest SEBI Status update, the said order has been challenged and the matter is presently subjudice before the Securities Appellate Tribunal (SAT).

## **ACKNOWLEDGEMENT**

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

On Behalf of the Board of Directors

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

Vadodara  
28<sup>th</sup> June, 2017



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

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

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

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

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

- Installed Air pressure regulators at various use point at shop floor area to save energy.
- Plan to install LED street lights in Company.
- Intensified vigil on wastage/leakage control.
- Maintaining the power factor and improving voltage regulation have resulted in rebates in monthly energy bills.
- Installed 2 (two) Wind Turbine of capacity 800 Kw as alternate source of energy.
- Awareness about the need for energy conservation at all levels of employees is being created through posters, hoardings, emails, 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)
- Metallic Volute Pumps, VT Pumps and Hydraulic Turbines

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

Reduction in manufacturing cost of products and improvement in efficiencies are done through continuous optimization of products. Increasing technical and price competition have been partially overcome by the internal R&D work, through up-gradation and improvement of various core product designs and processes.

The technical competitiveness has been tackled through re-engineering product range extension with value addition in the core products.

###### 3. Future Plan of Action :

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

###### 4. Expenditure on R&D :

	(` in lakhs)
a) Capital	-
b) Recurring	194.27
c) Total	194.27
d) Total R&D expenditure as percentage of total turnover	0.71 %

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

1. Efforts in brief, made towards technology absorption, adaptation and innovation.
  - a) In the area of medium voltage switchgear, the activities were directed towards up-gradation of existing switchgear to meet the latest IEC Standards. Type-testing as per the latest version of IEC: 62271-100 was continued. In addition, R&D is continuously carried out, in the areas of applied research and use of alternative materials and processes.
  - b) In the rotating machines group, major work was mainly directed towards indigenous development of larger rating motors and generators for various applications in core industries. New product development and cost reduction in the existing designs, processes and process-time reduction in the existing products are undertaken. New Die Casting plant for better productivity and Hydraulic Dynamometer with gearbox for type-testing of motors has been installed. Gearbox for testing vertical motors with dynamometer has been installed.
  - c) In the pump group, development of metallic volute pumps has been in focus due to large orders in hand. One of the key thrust area was extension of the existing range of pumps. Extensive use of CFD Analysis and Mechanical Analysis software is done continuously to improve the product competitiveness.
  - d) In the turbine group, 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
    - Successful type-testing as per IEC62271-100 and IEC62271-200 done in the year 2012-13 continued to generate revenue of ₹ 2200 lakhs for the year 2016-17. Additional type tests were carried out in the year to further strengthen export potential.
    - As part of continuous validation and recertification of products various type test as per relevant standards were carried out during the year.
  - (b) Rotating Electrical Machines
    - Design, development and testing of large rating, low speed vertical / horizontal motors for Lift Irrigation Schemes.
    - Improved version of Wind Energy Generators.
    - Process-time reduction through modular construction of stator and rotors for larger rating motors.
    - Cost reduction designs through Value Engineering analysis, of 415 Volts, 3.3kV, 6.6kV and 11kV motors on demand.
    - Design & development of larger rating generators for Hydel Application.
  - (c) Pumps
    - Developed 900VM Pump for Yettinahole Project.
    - Developed 1000VM Pump for Yettinahole Project.
    - Successful model testing of Metallic Volute Pump model for Tubchi Babaleshwar project.
    - Developed 1600 MVC Pump for Tubchi Babaleshwar Project.
    - Development of 2000 MVC Pump for GLIS 3, Pack-2 is under process.

- Developed new series of End Suction Pumps.
- (d) Turbine
  - ANSYS Mechanical software is extensively used for structural analysis of Turbine components enabling material control.
  - ANSYS CFX Software is used for performance prediction of Pump and Turbine.
  - Design of (9x5000 kW) five blade Kaplan turbine for SSNNL Project completed.
  - Design of (2x2000 kW) five blade Kaplan turbine for Varuna Project is under process.
- 3. Technology imported and status of absorption.
  - (i) Vacuum Circuit Breakers from Toshiba Corporation, Japan. The technology has been fully absorbed for 12 kV and 36 kV Vacuum Circuit Breakers.
  - (ii) Over 370 SF6 Ring Main Unit are supplied till now. Out of these about 250 have been successfully installed and commissioned. The installed RMU's are under observation for performance.
  - (iii) High Head Francis turbine model design for head range up to 260 metres.

### C. Foreign Exchange Earnings and Outgo:

	(₹ in lakhs)
a) Exports (including deemed Exports)	2252.69
b) Total Foreign Exchange used and earned	
i) Total Foreign Exchange used	70.18
ii) Total Foreign Exchange earned	2416.43

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

### **Report on Corporate Governance**

#### **1. Corporate Governance Philosophy**

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

#### **2. Board of Directors**

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

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

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

None of the Directors are related to the other Directors or to any other employee of the Company except Mr. Rahul Amin and Mrs. Tejal Amin. Mrs. Tejal Amin is wife of Mr. Rahul Amin.

### (b) Meetings held in Financial Year 2016-17 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 2016-17 on 30<sup>th</sup> May, 2016, 20<sup>th</sup> July, 2016, 13<sup>th</sup> August, 2016, 23<sup>rd</sup> September, 2016, 14<sup>th</sup> November, 2016, 14<sup>th</sup> February, 2017 and 21<sup>st</sup> March, 2017.

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

Sr. No.	Name of Directors	No. of Board Meetings attended	Attendance at last AGM
1.	Mr. R. N. Amin Chairman & Managing Director	7	Present
2.	Mrs. T. R. Amin	7	Present
3.	Mr. U. V. Desai	7	Present
4.	Mr. V. K. Gulati	6	Not Present
5.	Mr. T. C. Dayal	4	Not Present
6.	Mr. S. S. Bhattbhatt	7	Present
7.	Dr. R. M. Khajuria	5	Present
8.	Mr. M. R. Patel	7	Present

### (c) Meeting of Independent Directors

The Independent Directors of the Company had met during the year on 21<sup>st</sup> March, 2017 to review the performance of Non-independent Directors and the Board as a whole, to review the performance of the Chairman of the Company, and to assess the efficiency of flow of information between the Management and the Board.

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

## 3. Committee of Directors

### (a) Audit Committee

#### (i) Terms of Reference

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

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

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

Seven Audit Committee meetings were held during the Financial Year 2016-17 on 28<sup>th</sup> May, 2016, 10<sup>th</sup> August, 2016, 23<sup>rd</sup> September, 2016, 12<sup>th</sup> November, 2016, 9<sup>th</sup> December, 2016, 14<sup>th</sup> February, 2017 and 21<sup>st</sup> March, 2017.

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

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



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

**(b) Nomination and Remuneration Committee**

(i) Terms of Reference and Policy

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

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

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

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

Two Nomination and Remuneration Committee meetings were held during the Financial Year 2016-17 on 28<sup>th</sup> May, 2016 and 21<sup>st</sup> March, 2017.

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

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

**(iii) Remuneration paid to Directors for the Financial Year 2016-17 (₹)**

Sr. No.	Name of Director	Sitting Fees	Salary and other Perquisites*	Commission	Total
1.	Mr. R. N. Amin Chairman & Managing Director	-	82,47,254	-	82,47,254
2.	Mrs. T. R. Amin	14,000	-	-	14,000
3.	Mr. U. V. Desai	14,000	-	-	14,000
4.	Mr. V. K. Gulati	12,000	-	-	12,000
5.	Mr. T. C. Dayal	8,000	-	-	8,000
6.	Mr. S. S. Bhattbhatt	14,000	-	-	14,000
7.	Dr. R. M. Khajuria	10,000	-	-	10,000
8.	Mr. M. R. Patel	14,000	-	-	14,000
	Total	86,000	82,47,254	-	83,33,254

\*The Central Government, vide their letter dated 15<sup>th</sup> May, 2017, while approving the re-appointment has sanctioned, the remuneration of ₹ 9,06,557 for the period from 25.06.2016 to 11.09.2016 and ₹ 84,00,000 per annum for the period from 12.09.2016 to 24.06.2019. Mr. Rahul N. Amin has already paid to the Company excess remuneration for the period from 25.06.2016 to 11.09.2016.

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

## 73rd Annual Report

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

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

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

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

### Notes:

**1. Service Contract, Notice Period and Severance fees.**

The employment of Mr. Rahul N. Amin is contractual.

**2. Stock option details, if any**

Nil

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

**(i) Terms of Reference**

The terms of reference of the Committee include the following:

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

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

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

Four Shareholders' / Investors' Grievance & Stakeholders Relationship Committee Meetings were held during the Financial Year 2016-17 on 30<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 14<sup>th</sup> February, 2017.

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

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

76 queries were received during the year under review. However, all the queries have been resolved to the satisfaction of the Shareholders. There were no pending transfers as on 31<sup>st</sup> March, 2017.

(iii) Compliance Officer

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

**(d) Risk Management Committee**

(i) Terms of Reference and Policy

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

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

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

During the year under review, Risk Management Committee Meeting was held on 14<sup>th</sup> November, 2016.

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

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

**4. Subsidiary Companies / Associate Companies / Joint Venture**

The Company does not have any subsidiary.

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

## 73rd Annual Report

### 5. General Body Meetings

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

For the year	Venue	Day and date	Time
2014	Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara - 390 003	Thursday, 22 <sup>nd</sup> September, 2014 (postponed from 11 <sup>th</sup> September, 2014 due to flood situation in Vadodara)	9.00 a.m. (IST)
2015	Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara - 390 003	Thursday, 10 <sup>th</sup> December, 2015	9.00 a.m. (IST)
2016	Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara - 390 003	Saturday, 26 <sup>th</sup> November, 2016	9.00 a.m. (IST)

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

For the Year	Resolution Detail
2014	1. Borrowings/Financial Assistance
	2. Creation of mortgage/charge for Borrowings/Financial Assistance availed
	3. Adoption of new set of Articles of Association
2015	1. Creation of mortgage/charge for Borrowings/Financial Assistance availed
	2. Adoption of new set of Articles of Association
2016	1. Creation of Mortgage/Charge for Borrowings/Financial Assistance availed
	2. Adoption of New set of Articles of Association

Note :-

- Special Resolution under Section 180 (1)(a) of the Companies Act, 2013 for creation of Mortgage/Charge for Borrowings/Financial Assistance availed-  
**The Resolution was not passed. Votes cast against were more than the votes cast in favour of approval.**
- Special Resolution for adoption of new set of Articles of Association of the Company as per the Companies Act, 2013-  
**The Resolution was not passed. Votes cast against were more than the votes cast in favour of approval.**
- No Extra Ordinary General Meeting was held during the year.
- No Resolution requiring Postal Ballot was required/placed at the above Meetings.

## 6. Disclosures

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

The Policy on Related Party Transactions of the Company for determining the materiality of related party transactions and also on the dealings with related parties. This Policy has been placed on the Company's official website at the web-link [http://www.jyoti.com/pdf/policy%20on\\_related\\_party\\_transactions.pdf](http://www.jyoti.com/pdf/policy%20on_related_party_transactions.pdf)

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

The Company has adopted the Whistle Blower & Vigil Mechanism Policy for Directors, Employees and Stakeholders which is placed on the Company's website at the web-link [http://www.jyoti.com/pdf/whistle\\_blower\\_and\\_vigil\\_mechanism\\_policy.pdf](http://www.jyoti.com/pdf/whistle_blower_and_vigil_mechanism_policy.pdf)

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

- (ii) The Company has no material subsidiary.

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

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

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

### (b) CEO / CFO Certification

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

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

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

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

Members are hereby informed that as per Regulation 39(4) read with Schedule VI of the SEBI Regulations, the Company has already sent 2 (two) reminders and in the process of sending the last and final reminder to those shareholders whose share certificates have remained unclaimed. Shares remain unclaimed would be held by the Company on behalf of the holders of such shares in an "Unclaimed Suspense Account" to be opened with a depository.

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



## 73rd Annual Report

### 7. Means of Communication

#### (a) Newspapers wherein results normally published

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

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

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

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

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

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

### 8. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the Financial Year 2016-17 forms part of the Annual Report.

### 9. General Shareholders' Information

#### (a) Annual General Meeting

Day, date and time	Thursday, 28 <sup>th</sup> September, 2017 at 9.00 a.m. (IST)
Venue	Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries, Vadodara – 390 003

#### (b) Financial Calendar

Indicative calendar of events for the year 2017-18 (April to March), excluding Extraordinary General Meetings, if any, is as under:

Fourth Quarter (year 2016-17) Results	13 <sup>th</sup> May, 2017
First Quarter Results	August, 2017
Annual General Meeting	28 <sup>th</sup> September, 2017
Second Quarter Results	October / November, 2017
Third Quarter Results	January / February, 2018

#### (c) Book Closure

The Company's Register of Members and Share Transfer Books will remain closed for the purpose of Annual General Meeting.	21 <sup>st</sup> September, 2017 to 28 <sup>th</sup> September, 2017 (both days inclusive)
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#### (d) Dividend : Not Applicable since no dividend is recommended.

#### (e) Listing on Stock Exchange

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

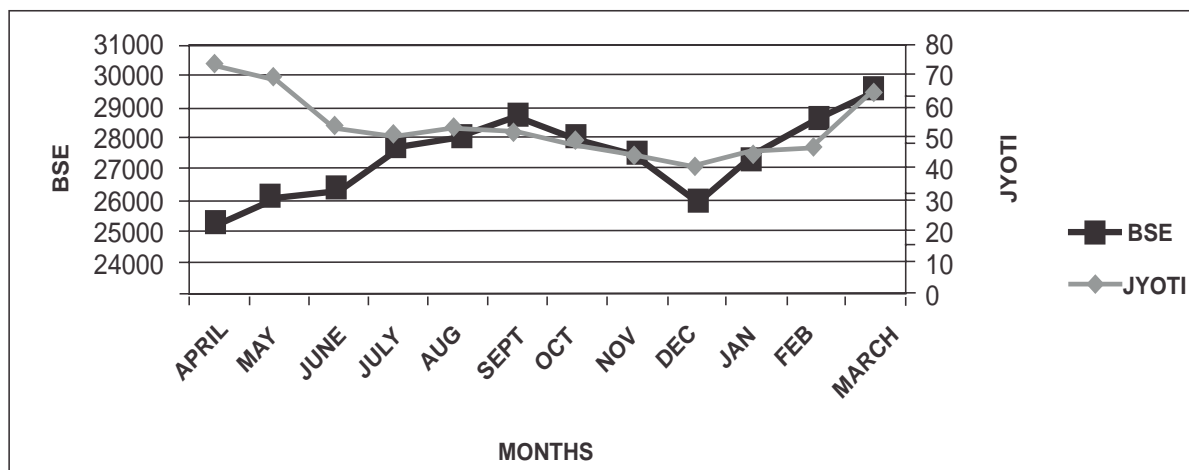
**Note:-** Listing Fees for the Financial Year 2017-18 is paid to Bombay Stock Exchange.

**(f) Market Price Data :**

The Market Price of the Company's shares traded on the Bombay Stock Exchange during the year 2016-17 was as follows:

Year 2016-17	BSE		BSE Sensex	
	High	Low	High	Low
Month	(`)	(`)		
April, 2016	72.00	53.05	26,100.54	24,523.20
May, 2016	67.95	44.55	26,837.20	25,057.93
June, 2016	52.50	39.10	27,105.41	25,911.33
July, 2016	49.75	43.20	28,240.20	27,034.14
August, 2016	52.00	41.00	28,532.25	27,627.97
September, 2016	51.00	44.00	29,077.28	27,716.78
October, 2016	48.00	41.15	28,477.65	27,488.30
November, 2016	43.80	30.20	28,029.80	25,717.93
December, 2016	40.00	34.25	26,803.76	25,753.74
January, 2017	44.00	36.15	27,980.39	26,447.06
February, 2017	45.95	38.10	29,065.31	27,590.10
March, 2017	63.00	38.15	29,824.62	28,716.21

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



**(h) Shareholding Pattern (as on 31<sup>st</sup> March, 2017)**

Sr. No.	Category	No. of Equity Shares held of ` 10/- each	Percentage (%)
1.	Promoters	54,46,503	31.80
2.	Friends & Relatives	1,46,702	0.86
3.	Mutual Funds & UTI	65	-
4.	Banks, F.Is., Insurance Companies	6,46,090	3.77
5.	Private Corporate Bodies	61,18,424	35.72
6.	Indian Public	46,91,202	27.39
7.	NRIs/Foreign Companies	79,323	0.46
8.	Any Other – Directors	683	-
	Total	1,71,28,992	100.00

**(i) Distribution of Shareholding (as on 31<sup>st</sup> March, 2017)**

Category	Number of Shareholders	Percentage %	Number of Shares	Percentage %
1 - 500	18994	96.91	1073880	6.27
501 - 1000	274	1.40	204776	1.19
1001 - 2000	131	0.67	203152	1.19
2001 - 3000	48	0.24	120900	0.71
3001 - 4000	23	0.12	81000	0.47
4001 - 5000	17	0.09	81027	0.47
5001 - 10000	34	0.17	247376	1.44
10001 and above	79	0.40	15116881	88.26
Total	19600	100.00	17128992	100.00

**(j) Share Transfer Process**

The Company's shares being in compulsory demat list are transferable through depository system. Accordingly, the Company had appointed M/s. MCS Share Transfer Agent Ltd. as its Registrar & Share Transfer Agent for both physical and demat segments of Equity Shares in compliance with the requirement of the Securities and Exchange Board of India.

However, shares in the physical form are processed by the Registrar & Share Transfer Agent and approved by the Shareholders'/Investors' Grievance and Stakeholders Relationship Committee. In order to expedite the process, the Board of Directors has also delegated the authority to the Managing Director (MD) and the Company Secretary to approve the share transfers and accordingly, the MD and the Company Secretary approve the transfer/transmission of shares fortnightly.

**(k) Dematerialisation of Shares**

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

1,62,89,467 Equity Shares of the Company were in dematerialised form as on 31<sup>st</sup> March, 2017 representing 95.10% of the total Shares.

**(l) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, likely to impact on Equity : None**

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

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

MCS Share Transfer Agent Limited

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

Tel. : 0265-2314757, 2350490 Fax : 0265-2341639 E-mail : [mcsLtdbaroda@gmail.com](mailto:mcsLtdbaroda@gmail.com)

**(o) Address for Investor Correspondence**

JYOTI LIMITED

Company Law & Legal Department

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

Vadodara - 390 003 Gujarat (India)

Phone : 0265 - 3054444

Fax : 0265-2281871/2280671

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

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

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

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## DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

The Company has in place a code of conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website <http://www.jyoti.com/investor/codeofconduct.aspx>. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as on 31<sup>st</sup> March, 2017. The declaration signed by the Chairman & Managing Director of the Company is given below:

"I, Rahul N. Amin, Chairman & Managing Director of the Company, hereby declare that all Board Members and Senior Management Personnel have affirmed the compliance of the Code of Conduct during the Financial Year ended 31<sup>st</sup> March, 2017."

For JYOTI LIMITED

Vadodara  
28<sup>th</sup> June, 2017

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

To,  
The Members of Jyoti Ltd.

### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Jyoti Limited, for the year ended 31<sup>st</sup> March, 2017, as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

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

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

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  
8<sup>th</sup> June, 2017



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## Management Discussion and Analysis

### Industry Structure and Developments

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

The present Government is pushing for infrastructure development and the policies have started showing positive impact on this sector. Many companies in this sector, which were affected badly, are still struggling to come out of the trough for last 3-4 years. Presently the Company is in the process of executing the orders for various projects worth ₹ 368 crores.

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

### Opportunities and Threats

As India is slowly but steadily moving towards development under the present Government, Power and Water sectors are prime movers for its economic and social development and growth. Considering the 70 year-old presence of the Company in the Power, Hydel and Lift Irrigation Sectors, which are of National Importance, a huge business potential is anticipated.

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

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

### Outlook

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

### Risk and Concerns

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

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

### Segment-wise Performance

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

### Internal Control Systems

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

### Financial Performance and Operational Efficiency

The Company's net sales were higher at ₹ 265.21 crores in the Financial Year 2016-17 compared to ₹ 212.43 crores for the previous year. Various corrective measures taken by the Company to reduce the material cost and other overheads resulted in an EBITDA of ₹ 19.76 crores compared to ₹ 0.89 crore during the previous year. The losses for the year, before exceptional items was lower at ₹ 60.93 crores as compared to losses of ₹ 83.79 crores for the previous year.

After detailed assessment of receivables outstanding, the Management has considered making a provision for doubtful debts amounting to ₹ 63.61 crores. This incidence has been disclosed as an Exceptional Item. As a result, the total loss before tax for the year was higher at ₹ 12454 lakhs as compared to ₹ 8379 lakhs for the previous year.

Currently, the Company has pending orders worth ₹ 368 crores on hand. These orders are to be executed in the coming years and are expected to provide substantial contribution to Company's turnover and profitability during Financial Years 2017-18 and 2018-19.

### Human Resource

The Company believes that employees are the most valuable assets of the Company, hence the key focus is to train and develop its employees. The Company aims to create a motivated team and to provide them with good opportunities for career growth.

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. Various internal as well as external development programs were organized to enhance the skill and knowledge of employees.

The Company has undertaken continuous interaction with all employees by frequent visit of Senior Executives to the project sites have brought the employees closer and thereby developed a transparent system of communication. Industrial Relations with the employees remains cordial throughout the year. The work and jobs at all levels in the Company are designed, organized and managed effectively by interaction between the management and employees. The employees have been able to meet the challenges from time to time to improve upon performance of plants through efficiency, productivity and economy.

In view of the Company's growth plans and current requirements, the primary emphasis is on the quality of talent and multitasking of work force. The Company has a total manpower of 458 as on 31<sup>st</sup> March, 2017.

### Cautionary Statement

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

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

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

 as on Financial Year ended on 31<sup>st</sup> March, 2017

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

**I. REGISTRATION AND OTHER DETAILS:**

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

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

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

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

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

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

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

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2120345	110	2120455	12.38	2120345	110	2120455	12.38	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3411893	-	3411893	19.92	3411893	-	3411893	19.92	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	5532238	110	5532348	32.30	5532238	110	5532348	32.30	-
<b>(2) Foreign</b>									
a) NRI's Individuals	60857	-	60857	0.36	60857	-	60857	0.36	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	60857	-	60857	0.36	60857	-	60857	0.36	-
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>5593095</b>	<b>110</b>	<b>5593205</b>	<b>32.66</b>	<b>5593095</b>	<b>110</b>	<b>5593205</b>	<b>32.66</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	65	65	-	-	65	65	-	-
b) Banks/FI	643816	1824	645640	3.77	643716	1824	645540	3.77	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	550	550	-	-	550	550	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	643816	2439	646255	3.77	643716	2439	646155	3.77	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	6497607	14353	6511960	38.02	6104071	14353	6118424	35.72	(2.30)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	1550428	608903	2159331	12.61	1189435	599433	1788868	10.44	(2.17)
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	1915151	208500	2123651	12.40	2608796	208500	2817296	16.45	4.05
c) Others (specify) NRI & Mutual Fund GDR	78400	15690	94090	0.55	149854	14690	164544	0.96	0.41
d) Trust	500	-	500	-	500	-	500	-	-
Sub-total (B) (2)	10042086	847446	10889532	63.57	10052656	836976	10889632	63.57	-
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>10685902</b>	<b>849885</b>	<b>11535787</b>	<b>67.34</b>	<b>10696372</b>	<b>839415</b>	<b>11535787</b>	<b>67.34</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Grand Total (A+B+C)	16278997	849995	17128992	100.00	16289467	839525	17128992	100.00	-

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2016			Share holding at the end of the year 31-03-2017			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Rahul Nanubhai Amin	10,84,100	6.33	6.33	10,84,100	6.33	6.33	-
2.	Tejal Rahul Amin	6,42,113	3.75	3.75	6,42,113	3.75	3.75	-
3.	Shubhalakshmi Rahul Amin	3,08,397	1.80	1.80	3,08,397	1.80	1.80	-
4	Nandita Nanubhai Amin	83,115	0.49	-	83,115	0.49	-	-
5.	Chirayu Ramanbhai Amin	590	-	-	590	-	-	-
6.	Mayank Natubhai Amin	2,080	0.01	-	2,080	0.01	-	-
7.	Girish Raojibhai Amin	40	-	-	40	-	-	-
8.	Savitaben Nanubhai Amin	10	-	-	10	-	-	-
9.	Sarojini Dinubhai Amin	10	-	-	10	-	-	-
10.	JSL Industries Ltd.	10,74,239	6.27	6.27	10,74,239	6.27	6.27	-
11.	Insutech Industries Ltd.	23,37,654	13.65	13.65	23,37,654	13.65	13.65	-
12.	Anant Nanubhai Amin	60,857	0.36	-	60,857	0.36	-	-
	Total	55,93,205	32.65	31.80	55,93,205	32.65	31.80	-

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

Sr. No.	Shareholding at the beginning of the year		Shareholding at the end of the year	
	01-04-2016		31-03-2017	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	55,93,205	32.65	55,93,205	32.65
Date wise increase /decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/bonus/ sweat equity, etc.):	-	-	-	-
At the End of the year	55,93,205	32.65	55,93,205	32.65



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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2016		Shareholding at the end of the year 31-03-2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Signora Finance Pvt. Ltd.	9,66,278	5.64	7,96,278	4.65
2	Latin Manharlal Securities Pvt. Ltd.	7,57,432	4.42	7,57,432	4.42
3	Khyati Realtors Pvt. Ltd.	7,50,000	4.37	7,50,000	4.37
4	Sunidhi Securities & Finance Ltd.	5,40,000	3.15	5,40,000	3.15
5	Aum Capital Market Pvt. Ltd.	4,85,002	2.83	4,85,002	2.83
6	Blue Bird Mercantiles Pvt. Ltd.	-	-	4,29,000	2.50
7	Vanraj Vinod Shah	3,80,001	2.22	3,80,001	2.22
8	Runner Marketing Pvt. Ltd.	3,40,000	1.98	3,40,000	1.98
9	The Investment Trust of India Limited	3,27,974	1.91	3,27,974	1.91
10	Dena Bank – Investment	3,05,530	1.78	3,05,530	1.78
11	Finquest Financial Solutions Pvt. Ltd.	2,96,300	1.73	-	-

**(v) Shareholding of Directors and Key Managerial Personnel (KMP)**

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 01-04-2016		Shareholding at the end of the year 31-03-2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Name of Director/KMP				
1	Mr. Rahul Amin	10,84,100	6.33	10,84,100	6.33
2	Mrs. Tejal Amin	6,42,113	3.75	6,42,113	3.75
3	Mr. Uresh Desai	550	-	550	-
4	Mr. Vijay Kumar Gulati	50	-	50	-
5	Mr. Shrikar Bhattbhatt	60	-	60	-
6	Mr. Marut Patel	23	-	23	-
7	Mr. Tushar Dayal	-	-	-	-
8	Dr. Rajesh Khajuria	-	-	-	-
9	Mr. Suresh Singhal	-	-	-	-
10	Mr. Jayesh Verma	-	-	-	-

**V. INDEBTEDNESS:**

 Indebtedness of the Company including interest outstanding/accrued but not due for payment  
 ( ` in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year 01-04-2016</b>				
i) Principal Amount	63569.15	—	—	63569.15
ii) Interest due but not paid	3449.16	—	—	3449.16
iii) Interest accrued but not due	154.54	—	—	154.54
<b>Total (i+ii+iii)</b>	<b>67172.85</b>	<b>—</b>	<b>—</b>	<b>67172.85</b>
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	6220.46	211.19	—	6431.65
• Reduction	—	—	—	—
<b>Net Change</b>	<b>6220.46</b>	<b>211.19</b>	<b>—</b>	<b>6431.65</b>
<b>Indebtedness at the end of the Financial Year 31-03-2017</b>				
i) Principal Amount	61784.86	211.19	—	61996.05
ii) Interest due but not paid	11559.96	—	—	11559.96
iii) Interest accrued but not due	48.49	—	—	48.49
<b>Total (i+ii+iii)</b>	<b>73393.31</b>	<b>211.19</b>	<b>—</b>	<b>73604.50</b>

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

(in `)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Rahul Amin (Managing Director)*
1	Gross salary	Amount ( ` )
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	77,36,508
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	5,10,746
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others, please specify (Gratuity)	-
	<b>Total (A)</b>	<b>82,47,254</b>
	Ceiling as per the Act	As per approval granted by the Central Government vide its letter dated 4 <sup>th</sup> October, 2013 upto 24.06.2016 and thereafter vide its letter dated 15 <sup>th</sup> May, 2017.

\*The Central Government, vide its letter dated 15<sup>th</sup> May, 2017, while approving the re-appointment has sanctioned, the remuneration of ` 9, 06,557 for the period from 25.06.2016 to 11.09.2016 and ` 84,00,000 per annum for the period from 12.09.2016 to 24.06.2019. Mr. Rahul N. Amin has already paid to the Company excess Remuneration for the period from 25.06.2016 to 11.09.2016.

## 73rd Annual Report

### B. Remuneration to other Directors:

#### I. Independent Directors

(in `)

Particulars of Remunerations	Name of Directors				Total Amount
	Mr. V.K. Gulati	Mr. T.C. Dayal	Mr. S.S. Bhattbhatt	Dr. R.M. Khajuria	
Fee for attending Board / Committee Meetings	12,000	8,000	14,000	10,000	44,000
Commission	-	-	-	-	-
Others	-	-	-	-	-
<b>Total (1)</b>	<b>12,000</b>	<b>8,000</b>	<b>14,000</b>	<b>10,000</b>	<b>44,000</b>

#### II. Other Non-Executive Directors

(in `)

Particulars of Remunerations	Name of Directors			Total Amount
	Mrs. T. R. Amin	Mr. U. V. Desai	Mr. M. R. Patel	
Fee for attending Board/ Committee Meetings	14,000	14,000	14,000	42,000
Commission	-	-	-	-
Others	-	-	-	-
<b>Total (2)</b>	<b>14,000</b>	<b>14,000</b>	<b>14,000</b>	<b>42,000</b>
<b>Total B = (1+2)</b>				<b>86,000</b>

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

(in `)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,50,913	18,70,313	36,21,226
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	6,69,839	5,66,366	12,36,205
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify Provident Fund & other	7,50,694	7,64,891	15,15,585
	<b>Total</b>	<b>31,71,446</b>	<b>32,01,570</b>	<b>63,73,016</b>

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

For and on behalf of the Board of Directors

Vadodara  
28<sup>th</sup> June, 2017

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

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

**FORM NO. AOC - 2**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]  
 Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1) Details of contracts or arrangements or transactions not at arm's length basis:	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2) Details of material contracts or arrangements or transactions at arm's length basis :				
(a) Name (s) of the related party and nature of relationship	Jyoti Sohar Switchgear LLC (JSSL) Joint Venture as per Section 2(76) of the Companies Act, 2013.	M/s. Info Jinie Related Party as per Section 2(76) of the Companies Act, 2013.	M/s. JSL Industries Ltd Related Party as per Section 2 (76) of the Companies Act, 2013.	M/s. Insutech Industries Ltd Related Party as per Section 2 (76) of the Companies Act, 2013.
(b) Nature of contracts/ arrangements/transactions	Sale of MV HT VCB Panels Switchgear as per separate Purchase Orders given by JSSL from time to time.	Consultancy Services provided as per the Scope of Service defined in agreement dated 01.06.2016.	Sale/purchase/supply of goods and materials such as starters, motors, instrument transformers, control panels, spares, etc. and availing and rendering of related services thereof.	Sale/purchase/supply of goods and materials such as starters, motors, instrument transformers, control panels, spares, etc. and availing and rendering of related services thereof.
(c) Duration of the contracts/ arrangements/transactions	Till supply of Panels is made as per terms mentioned in respective Purchase Orders.	From 01.06.2016 to 31.05.2017.	From 01.04.2016 to 31.03.2017.	From 01.04.2016 to 31.03.2017.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	As per Purchase Order given by JSSL from time to time on mutually agreed terms. Value - ` 2248.51 lakhs (01.04.2016 to 31.03.2017).	As per Consultancy Agreement dated 01.06.2016. Value ` 18 lakhs per annum.	The sale, purchase or supply of goods and materials and availing and rendering services are made as and when required on the basis of merits and on the terms which are not less favourable to the Company. Value 290.08 lakhs (01.04.2016 to 31.03.2017).	The sale, purchase or supply of goods and materials and availing and rendering services are made as and when required on the basis of merits and on the terms which are not less favourable to the Company. Value 155.78 lakhs (01.04.2016 to 31.03.2017).
(e) Date (s) of approval by the Board, if any	Approved by the Audit Committee of the Board of Directors on 30.03.2016 and limit revised on 21.03.2017.	Approved by the Audit Committee of the Board of Directors on 28.05.2016 and by the Board of Directors of the Company on 30.05.2016.	Approved by the Audit Committee of the Board of Directors on 30.03.2016 and limit revised on 14.02.2017 and by the Board of Directors of the Company on 30.03.2016 and limit revised on 14.02.2017.	Approved by the Audit Committee of the Board of Directors on 30.03.2016 and by the Board of Directors of the Company on 30.03.2016.
(f) Amount paid as advances, if any	` 887.78 lakhs from JSSL	Not Applicable	Not Applicable	Not Applicable

The other details are mentioned in Note No. **26(9)** of attached Financial Statements for the year ended 31<sup>st</sup> March, 2017.

For and on behalf of the Board of Directors

Vadodara  
 28<sup>th</sup> June, 2017

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



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

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31<sup>st</sup> March, 2017

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

To,  
The Members,  
Jyoti Limited

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

Based on our verification of Jyoti Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Jyoti Limited ("the Company") for the Financial Year ended on 31<sup>st</sup> March, 2017 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

## 73rd Annual Report

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- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) There are no laws which are specifically applicable to the Company.

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

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

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

### **We further report that**

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

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

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

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

1. At the 72<sup>nd</sup> Annual General Meeting of Shareholders of the Company, Special Resolution for alteration of Articles of Association and Special Resolution for allowing Company to mortgage its property, were proposed. However, requisite majority for the said resolutions were not obtained and therefore, said resolutions were not passed at the Annual General Meeting.
2. As informed by the Company at the time of last Secretarial Audit for the year 2015-16 that due to unilateral termination of Shareholders Agreement dated 14<sup>th</sup> September, 2010 by Finquest Financial Solutions Private Limited voting rights attached to 18,00,000 Equity Shares got ceased to exist and a public notice in this regard was issued by the Company. Based on the above, two reports were given by Scrutinizer and Chairman of the Company accepted the report considering 17,39,960 votes as invalid votes while deciding on the approval of all the resolutions in the 72<sup>nd</sup> Annual General Meeting of the Company.
3. As informed by the Company at the time of last Secretarial Audit for the year 2015-16 the Company had resorted to Arbitration process for unilateral termination of Shareholders Agreement dated 14.9.2010 and consequent action for cessation of voting rights of 18,00,000 shares and certain shareholders have also filed litigation in CLB/NCLT related to certain resolutions of

AGM 2014 and AGM 2015 and have also challenged cessation of voting rights of 18,00,000 shares by the Company. As on date, no order is pronounced by the respective judicial bodies.

4. Sick Industrial Companies (Special Provisions) Act, 1985, has been repealed w.e.f. 01.12.2016 and accordingly with this notification the reference filed by the Company before the BIFR stands abated w.e.f. 01.12.2016.
5. The Company had received Share Application Money of ₹ 1980 lakhs between June, 2013 to December, 2013 as required under Corporate Debt Restructuring Scheme, however, it is yet to allot the Equity Shares against the said Application Money.

**For, Ravi Kapoor & Associates**

**Ahmedabad  
28<sup>th</sup> June, 2017**

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

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#### **Annexure - A**

To,  
The Members,  
Jyoti Limited

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

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

**For, Ravi Kapoor & Associates**

**Ahmedabad  
28<sup>th</sup> June, 2017**

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

### Annexure F to the Board's Report

Disclosure under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17.

Sr. No.	Name of Director	Ratio
(i)	Mr. Rahul N. Amin	32.60 : 1
(ii)	Mrs. Tejal Amin	N.A.
(iii)	Mr. Uresh Desai	N.A.
(iv)	Mr. Tushar Dayal	N.A.
(v)	Mr. Vijay Kumar Gulati	N.A.
(vi)	Mr. Shrikar Bhattbhatt	N.A.
(vii)	Mr. Marut Patel	N.A.
(viii)	Dr. Rajesh Khajuria	N.A.

- The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2016-17 compared to 2015-16.

Remuneration increased of any Director	Nil
Remuneration increased of Company Secretary	26.59%
Remuneration increased of Chief Financial Officer	5.06%

- The percentage increase in the median remuneration of employees in the Financial Year 2016-17 compared to 2015-16 is 11.49 %.

4. The number of permanent employees on the role of the Company	31.03.2017	31.03.2016
	458	527

- Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.

Average Percentile increase in remuneration of employees is in line with the increase in Managerial Remuneration. There was no exceptional increase in the Managerial Remuneration.

- The Board of Directors of the Company affirms that the remuneration is as per the Remuneration policy of the Company.

7. The Statement Showing the remuneration drawn by the top ten employees for the Financial Year 2016-17

Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment held	% of Equity Shares held	Relationship with Director or Manager of the Company, if any
Rahul N. Amin*	Chairman & Managing Director	82,47,254	Contractual	B.E. – Electrical; M.E. 37 Years	Since 1979	64	-	10,84,100 (6.33%)	Mrs. Tejal Amin, Director of the Company is his wife
A. S. Gopalkrishnan	Chief Operating Officer	44,14,537	Permanent	B.E. – Mechanical 29 Yrs	07/05/1998	50	Kishor Pumps Pvt. Ltd.	-	-
Suresh Singhal	Vice President (Legal) & Company Secretary	32,01,570	Permanent	CS 25 Yrs	05/10/2000	49	Diamines & Chemicals Ltd.	-	-
Jayesh Verma	Chief Financial Officer	31,71,446	Permanent	CA, 37 Yrs	04/06/2015	61	In Practice	-	-
Paresh Shah	General Manager	21,82,325	Permanent	B.E. – Electrical, 22 Yrs	01/09/2008	44	ABB Ltd.	-	-
R. Sairam	General Manager	21,46,028	Permanent	Diploma – Mechanical 31 Yrs	18/01/2010	52	Flowmore Ltd.	-	-
Kalpana Patel	Deputy General Manager	16,15,419	Permanent	Diploma – Electrical 25 Yrs	01/01/1992	48	-	-	-
P. J. Raut	General Manager	15,59,337	Permanent	Diploma – Mechanical 33 Yrs	04/06/2012	54	Indiana Gratings Pvt. Ltd.	-	-
E.V. Subrahmanyam	General Manager	15,45,977	Permanent	Diploma – Electrical 25 Yrs	07/01/1998	48	Calama Pumps Pvt. Ltd.	-	-
M. Krishnamurthy	Deputy General Manager	15,05,591	Permanent	B.E.–Instrument, 26 Yrs	01/12/1997	49	India Meters Ltd.	-	-

\*The Central Government, vide its letter dated 15<sup>th</sup> May, 2017, while approving the re-appointment has sanctioned, the remuneration of ₹ 9,06,557 for the period from 25.06.2016 to 11.09.2016 and ₹ 84,00,000 per annum for the period from 12.09.2016 to 24.06.2019. Mr. Rahul N. Amin has already paid to the Company excess Remuneration for the period from 25.06.2016 to 11.09.2016.

### INDEPENDENT AUDITORS' REPORT

To the Members of **Jyoti Limited**

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone Financial Statements of **Jyoti Limited** ("the company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

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

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its Loss and its cash flows for the year ended on that date.



## Emphasis of Matters

- a) Note No. 26(17) in the financial statements which indicates that, in view of erosion of Net Worth of the Company as at 31.03.2014, the Company, in compliance with the provisions of Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985, made a reference to Board of Industrial and Financial Reconstruction (BIFR). The Hon. BIFR, in the hearing held on 05.10.2015, declared the Company a Sick Industrial Company in terms of Section 3 (1) (o) of the Sick Industrial companies (Special Provisions) Act, 1985 and appointed the lead bank, Central Bank of India as Operating Agency (OA) under section 17(3) of the Act to examine the viability of the Company and for formulating a Draft Rehabilitation Scheme (DRS) for revival of the Company with a Cut Off Date of 31.03.2016. SICA has since been repealed w.e.f. 01.12.2016.

*In view of continued losses, total erosion of the Net Worth, Current Liabilities Exceeds Current Assets, Liquidity constraint, Inability to comply with the terms of loan agreements and that the Company has received notices from all consortium banks under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) asking the Company to discharge the liabilities in full, there is an uncertainty about the Company's ability to continue as a going concern. However, the management is very positive about its viability and optimistic about its future in view of Company's performance, which has shown a marked improvement in operations during the current year. Company continues to execute orders in hand and obtain new orders, despite adversities. The uptrend is expected to continue. The Company is seriously considering alternative proposals to reach at an amicable debt resolution with the banks.*

In view thereof, the Financial Statements have been prepared by the Management on a 'Going Concern' basis. No adjustment is considered necessary by the Management to the recorded assets, recorded liabilities, contingent liabilities and other commitments for the reasons and perception of the Management.

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

Our opinion is not modified in respect of these matters.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) The matters described in sub-paragraph (a) & (b) under the Emphasis of Matters paragraphs above, in our opinion, may have an effect on the functioning of the Company;
  - f) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;

## 73rd Annual Report

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- g) The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company. Refer to our separate report in Annexure "B"; and
- h) With respect to the other matters included in the Auditor's Report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to note no 26 (3).
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except dividend under dispute amounting to ` 2 lakhs, which is subjudice.
  - iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. These are in accordance with the books of accounts maintained by the company as referred to note no 26 (19).
  - v) Share Application Money of ` 1980 lakhs outstanding since financial year 2013-14. We have been given to understand by the Management that it will be converted into share capital on approval of appropriate authorities.
  - vi) Requisite Approval of the Managerial Remuneration under section 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956 was granted up to 24<sup>th</sup> June, 2016, as per Central Government letter no. SRN B71385652/4/2013- CL.VII dated 4<sup>th</sup> October, 2013. During the year, Company has paid managerial remuneration for which we have been informed that company has applied for requisite approval to the Central Government under provisions of section 197 read with Schedule V to the Companies Act, 2013 ( Refer Note No 26(18) ). We have been further informed that ` 65.93 lakhs is involved and Company has taken appropriate step for securing refund of the same in case the approval is not granted by Central Government.

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

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

Vadodara  
13<sup>th</sup> May, 2017

**Annexure-A to Auditors' Report**

**Annexure Referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) Fixed Assets have been physically verified by the Management during the year as per the phased programme of physical verification of fixed assets. As informed to us, the programme is such that all the fixed assets will get physically verified in three years time. In our opinion the same is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventory (except those lying with contractors and at sites of the company) has been physically verified by the Management at the year end. According to the information and explanations given to us, there were no material discrepancies noticed on such physical verification of inventory as compared to the book records.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, provisions of sub clauses (iii) (a), (b) & (c) are not applicable to the Company.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respects of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the Public.
- (vi) To the best of our Knowledge and explanations provided by the management, the maintenance of cost records has been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Such accounts and records have been made and are maintained by the Company.
- (vii) According to the information and explanations given to us in respect of statutory and other dues:
  - (a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues to the appropriate authorities during the year. Based on our audit procedures and according to the information and explanation given to us, there are no arrears of statutory dues which has remained outstanding as at 31<sup>st</sup> March, 2017, for a period of more than six months from the date they became payable, except Sales Tax payable amounting to ` 173.14 Lakhs.
  - (b) According to the information and explanations given to us and on the basis of the records produced before us by the Company, except for the cases stated below, there are no material dues payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise and value added tax which have not been deposited on account of any dispute.

## 73rd Annual Report

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)	206.83	2010-11	Commissioner of Income Tax (Appeals)
2	Income Tax Act, 1961 (Income Tax)*	3025.89	2012-13	Commissioner of Income Tax (Appeals)
3	Income Tax Act, 1961 (Income Tax)	129.61	2013-14	Commissioner of Income Tax (Appeals), International Taxation
4	The Central Excise Act, 1944 (Excise Duty)	5.74	2006 To Jan, 11	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		3.02	Feb, 2011 To Dec, 2011	Central Excise & Service Tax Appellate Tribunal – A' Bad.
5	The Finance Act, 1994 ( Service Tax)	1.60	Dec, 04 To Nov, 09	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.58	May, 10 To Feb, 11	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.67	Mar, 11 To Jan, 12	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.29	Feb, 12 To Dec, 12	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.09	Jan, 13 To Sep, 13	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.10	Sep, 13 To Jun, 14	The Superintendent, Central Excise, Customs and Service Tax, Vadodara
		3.09	Apr, 05 To Mar, 10	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		184.76	July, 97 To Dec, 2000	Supreme Court of India.
		116.87	July, 12 To Apr, 16	Central Excise & Service Tax, Additional Commissioner, Vadodara

\*Refer Note No. 26(3)(b).

- (viii) (a) Based on our audit procedures and as per the information and explanations given by the Management, the Company has delayed in payment of Letters of Credit and Bank Guarantee to Banks. The following are the details of the delays:

Particulars	Amt during the year ( ` Lakhs)	Period of Delays (in days)
Various Bank – Letters of Credit Devolved	71.51	upto 90 days
	65.23	More than 90 days
Various Bank – Bank Guarantee Devolved	6.41	Up to 90 days
	152.43	More than 90 days
<b>TOTAL AMOUNT</b>	<b>295.58</b>	

- (b) The Company has overdue amount as on 31<sup>st</sup> March, 2017 on account of installments and interest on various Term Loans, Working Capital Demand Loans, Letters of Credit and Bank Guarantee Devolved of ₹ 26787.47 Lakhs.

( ₹ Lakhs)

Particulars	Period of Default (in days)		Amt.
	Upto 90 days	Above 90 days	
Various Bank – Interests on Term Loans, WCDL & CC	2088.12	9471.84	11559.96
Various Bank – Letters of Credit	—	6124.73	6124.73
Various Bank – BG Devolved / BP-BD	—	1536.95	1536.95
Various Bank – Installment of Term Loans	951.00	6173.50	7124.50
Technology Development Board — Installment	111.11	330.22	441.33
<b>TOTAL AMOUNT</b>	<b>3150.23</b>	<b>23637.24</b>	<b>26787.47</b>

- (ix) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) As per information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Requisite Approval of the Managerial Remuneration under section 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956 was granted up to 24<sup>th</sup> June, 2016, as per Central Government letter no. SRN B71385652/4/2013- CL.VII dated 4<sup>th</sup> October, 2013. During the year, Company has paid managerial remuneration for which we have been informed that company has applied for requisite approval to the Central Government under provisions of section 197 read with Schedule V to the Companies Act, 2013 (Refer Note No.26(18)). We have been further informed that ₹ 65.93 lakhs is involved and Company has taken appropriate step for securing refund of the same in case the approval is not granted by Central Government.
- (xii) In our opinion and according the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to information and explanation given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Vadodara  
 13<sup>th</sup> May, 2017



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

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

We have audited the internal financial controls over financial reporting of Jyoti Limited ("the Company") as of March 31, 2017, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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



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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Emphasis of Matters**

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

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

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

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

Vadodara  
13<sup>th</sup> May, 2017

## 73rd Annual Report

### BALANCE SHEET as at 31st March, 2017

	Note No.	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,712.90	1,712.90
(b) Reserves and Surplus	2	(38,642.38)	(26,219.13)
		(36,929.48)	(24,506.23)
<b>Share Application Money Pending Allotment</b>	26(14)	1,980.00	1,980.00
<b>Non-current Liabilities</b>			
(a) Long-term borrowings	3	23,320.50	27,881.72
(b) Deferred tax liabilities (Net)	26(10b)	576.88	607.66
(c) Other long-term liabilities	4	3,222.90	3,942.30
(d) Long-term provisions	5	783.40	958.15
		27,903.68	33,389.83
<b>Current Liabilities</b>			
(a) Short-term borrowings	6	26,337.31	25,036.04
(b) Trade Payable	7	11,189.40	10,706.34
(c) Other current liabilities	8	25,565.90	13,725.10
(d) Short-term provisions	9	150.75	233.90
		63,243.36	49,701.38
<b>TOTAL</b>		<b>56,197.56</b>	<b>60,564.98</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10(a)	8,908.54	9,697.45
(ii) Intangible Assets	10(b)	0.64	16.43
(iii) Capital Work-In-Progress		3,223.13	3,399.13
(b) Non-current Investments	11	123.98	123.98
(c) Long-term loans and advances	12	1,431.58	1,393.74
		13,687.87	14,630.73
<b>Current Assets</b>			
(a) Inventories	13	4,364.15	5,955.43
(b) Trade Receivables	14	31,818.46	34,280.71
(c) Cash and Cash equivalents	15	1,946.49	1,282.22
(d) Short-term loans and advances	16	4,333.65	4,294.44
(e) Other current assets	17	46.94	121.45
		42,509.69	45,934.25
<b>TOTAL</b>		<b>56,197.56</b>	<b>60,564.98</b>

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

26

As per our Report attached of even date

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

Chartered Accountants

Firm Reg. No. 103047W

**Vijay H. Gandhi**

Proprietor

M. No. 35581

Vadodara

13<sup>th</sup> May, 2017

**Jayesh Verma**  
Chief Financial Officer

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

**Rahul N. Amin**

Chairman & Managing Director

Directors

**Mrs. T. R. Amin**

**Mr. V. K. Gulati**

**Dr. R. M. Khajuria**

**Mr. T. C. Dayal**

**Mr. S. S. Bhattbhatt**

**Mr. M. R. Patel**

Vadodara

13<sup>th</sup> May, 2017

**STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2017**

	Note No.	2016-2017 ` lakhs	2015-2016 ` lakhs
Revenue From Operations	18	<b>26,921.09</b>	21,486.38
Other Income	19	<b>356.84</b>	384.26
<b>Total Revenue (I)</b>		<b><u>27,277.93</u></b>	<u>21,870.64</u>
<b>Expenses</b>			
Cost of material and components consumed	20	<b>17,783.71</b>	14,484.28
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	<b>1,622.55</b>	1,356.14
Employee Benefits Expense	22	<b>3,031.35</b>	3,081.16
Finance costs	24	<b>7,357.08</b>	7,501.05
Depreciation and amortisation expense		<b>1,069.32</b>	1,350.69
Other expenses	23	<b>2,312.71</b>	2,219.37
Research and Development Expenses	25	<b>194.27</b>	256.37
<b>Total Expenses (II)</b>		<b><u>33,370.99</u></b>	<u>30,249.06</u>
Profit/(Loss) Before Exceptional Items (I)-(II)		<b>(6,093.06)</b>	(8,378.42)
<b>Exceptional Item</b>	26 (15)	<b>6,360.97</b>	-
Profit/(Loss) Before Tax		<b>(12,454.03)</b>	(8,378.42)
Tax Expense:			
- Current Tax		-	-
- Deferred Tax	26 (10a)	<b>(30.78)</b>	(224.78)
- Tax expense for earlier years		-	126.12
Profit/ (Loss) for the year		<b><u>(12,423.25)</u></b>	<u>(8,279.76)</u>
Earning per Share (Basic & Diluted) (In `) (Face Value ` 10/-)		<b>(72.53)</b>	(48.34)
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  
 13<sup>th</sup> May, 2017

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

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

Directors

**Mrs. T. R. Amin**      **Mr. T. C. Dayal**  
**Mr. V. K. Gulati**      **Mr. S. S. Bhattbhatt**  
**Dr. R. M. Khajuria**      **Mr. M. R. Patel**  
 Vadodara  
 13<sup>th</sup> May, 2017

## Notes to Financial Statements

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 1 - Share Capital</b>		
<b>a) Share Capital</b>		
<b>Authorised</b>		
2,50,00,000 (31st March, 2016: 2,50,00,000) Equity Shares of ` 10 each	2,500.00	2,500.00
	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Paid Up</b>		
1,71,28,992 (31st March, 2016: 1,71,28,992) Equity Shares of ` 10 each fully paid	1,712.90	1,712.90

Note :

The above includes:

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

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

	As at 31-03-2017		As at 31-03-2016	
	No.	` lakhs	No.	` lakhs
<b>Equity Shares of ` 10</b>				
At the beginning of the period	17,128,992	1,712.90	17,128,992	1,712.90
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>17,128,992</u>	<u>1,712.90</u>	<u>17,128,992</u>	<u>1,712.90</u>

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

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

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

Name of Shareholder	As at 31-03-2017		As at 31-03-2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Insutech Industries Ltd.	2,337,654	13.65	2,337,654	13.65
2 JSL Industries Ltd.	1,074,239	6.27	1,074,239	6.27
3 Rahul N. Amin	1,084,100	6.33	1,084,100	6.33
4 Signora Finance Pvt. Ltd.	-	-	966,278	5.64

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
--	-----------------------------	-----------------------------

**Note 2 - Reserves and Surplus**

**Capital Reserve**

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

**Capital Redemption Reserve**

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

**Securities Premium Reserve**

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

**Revaluation Reserve**

Balance as per last Financial Statement **411.47** 412.97

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

Closing balance **409.97** 411.47

**General Reserve**

Balance as per last Financial Statement **39.68** 38.18

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

**41.18** 39.68

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

Balance as per last Financial Statement **(33,632.80)** (25,353.04)

Add: Profit /(Loss) for the year **(12,423.25)** (8,279.76)

Net surplus/(deficit) in the Statement of Profit and Loss **(46,056.05)** (33,632.80)

**Total Reserves and Surplus** **(38,642.38)** (26,219.13)

## 73rd Annual Report

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 3 - Long-term Borrowings</b>		
Term Loans		
From Banks (Secured)	23,170.17	27,509.17
From Technology Development Board (Secured)	150.33	372.55
	<u>23,320.50</u>	<u>27,881.72</u>

### Notes :-

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

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 4 - Other Long-term Liabilities</b>		
Advances from customers	3,222.90	3,942.30
	<u>3,222.90</u>	<u>3,942.30</u>

### Note 5 - Long-term Provisions

Employee benefits	783.40	958.15
	<u>783.40</u>	<u>958.15</u>



	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 6 - Short-term Borrowings</b>		
Loans payable on demand (Secured) from Banks (Including Due but not paid ` 7661.68 (P/Y ` 5390.42)) Refer Note no. 3 for securities and interest rates.	<u>26,337.31</u>	<u>25,036.04</u>
<b>Note 7 - Trade Payables</b>		
Micro and small enterprises	112.55	126.51
Others	<u>11,076.85</u>	<u>10,579.83</u>
	<u>11,189.40</u>	<u>10,706.34</u>
<b>Note 8 - Other Current Liabilities</b>		
Current maturities of long-term debt (Secured)		
Term loan from TDB (Including Due but not paid ` 441.33 (P/Y ` 219.11))	663.55	441.33
Term loans from Banks (Including Due but not paid ` 7124.50 (P/Y ` 3320.50))	11,463.50	7,124.50
Interest accrued and due (Secured)	11,559.96	3,449.16
Interest accrued but not due (Secured)	48.49	154.54
Other liabilities (Unsecured)		
Advances from customers	1,508.74	1,876.30
Unclaimed dividend	14.24	14.25
Others	307.42	665.02
Refer Note no. 3 for securities and interest rates.	<u>25,565.90</u>	<u>13,725.10</u>
<b>Note 9 - Short-term Provisions</b>		
Employee benefits	<u>150.75</u>	<u>233.90</u>
	<u>150.75</u>	<u>233.90</u>

(` lakhs)

**Note 10 - Fixed Assets**

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK				
	Cost as at 31-03-16	Additions	Adjustments	Deductions	Cost as at 31-03-17	Total up to 31-03-16	Deductions	Adjustments	During the year	Total up to 31-03-17	As at 31-03-17	As at 31-03-16
<b>(a) Tangible Assets</b>												
Free Hold Land*	650.42	168.82	—	—	819.24	—	—	—	—	—	819.24	650.42
Buildings	3022.91	—	—	—	3022.91	835.00	—	—	74.99	909.99	2112.92	2187.91
Plant and Equipments	11204.50	19.17	—	24.47	11199.20	5926.03	3.87	15.10	774.90	6712.16	4487.04	5278.47
R & D Equipments	1818.77	—	—	—	1818.77	609.73	—	—	93.53	703.26	1115.51	1209.04
Furniture and Fixtures	331.52	4.04	—	1.50	334.06	203.87	0.96	—	26.45	229.36	104.70	127.65
Vehicles	289.92	110.09	—	64.91	335.10	169.52	44.68	—	35.04	159.88	175.22	120.40
Office Equipments	701.76	4.49	—	11.97	694.28	666.54	11.35	—	19.70	674.89	19.39	35.22
Electrical Installations	153.53	—	—	—	153.53	65.19	—	—	13.82	79.01	74.52	88.34
<b>TOTAL</b>	<b>18173.33</b>	<b>306.61</b>	<b>—</b>	<b>102.85</b>	<b>18377.09</b>	<b>8475.88</b>	<b>60.86</b>	<b>15.10</b>	<b>1038.43</b>	<b>9468.55</b>	<b>8908.54</b>	<b>9697.45</b>
<b>(b) Intangible Assets</b>												
Software Licences	345.59	—	—	—	345.59	329.16	—	—	15.79	344.95	0.64	16.43
<b>TOTAL</b>	<b>345.59</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>345.59</b>	<b>329.16</b>	<b>—</b>	<b>—</b>	<b>15.79</b>	<b>344.95</b>	<b>0.64</b>	<b>16.43</b>
<b>GRAND TOTAL</b>	<b>18518.92</b>	<b>306.61</b>	<b>—</b>	<b>102.85</b>	<b>18722.68</b>	<b>8805.04</b>	<b>60.86</b>	<b>15.10</b>	<b>1054.22</b>	<b>9813.50</b>	<b>8909.18</b>	<b>9713.88</b>
PREVIOUS YEAR	18485.27	49.55	—	15.90	18518.92	7464.59	10.24	179.13	1171.56	8805.04	9713.88	

**Notes :**

- 1) Vehicles include gross value of ` 6.10 lakhs purchased under hire purchase arrangements.
- 2) \* Part of the Land is given on long term lease.
- 3) See Note No.26 (1) (C) (v) Adjustments includes provision for impairment of assets amounting to ` 15.10 lakhs (Previous Year ` 179.13 lakhs)

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

	Nos.	Face Value	As at 31-03-2017 lakhs	As at 31-03-2016 lakhs
<b>A Trade Investment</b>				
<b>Investment in Equity Instruments</b>				
<b>[1] Quoted</b>				
JSL Industries Ltd. (Associate Company)	29,255	10	<b>3.37</b>	3.37
<b>Investment in Joint Venture Company</b>				
<b>[2] Unquoted :</b>				
Jyoti Sohar Switchgear LLC, Oman @	490,000	(RO) 1	<b>86.73</b>	86.73
<b>B Others</b>				
<b>Investment in Equity Instruments</b>				
<b>[1] Quoted :</b>				
MPIL Corporation Ltd.	2	10	* <b>0.00</b>	* 0.00
Mather & Platt Fire Systems Ltd.	9	10	* <b>0.00</b>	* 0.00
Kirloskar Oil Engines Limited	790	2	<b>0.01</b>	0.01
Pneumatic Holdings Limited	52	10	<b>0.01</b>	0.01
ABB India Limited	335	2	<b>0.32</b>	0.32
S. Kumars Nationwide Ltd.	50	10	* <b>0.00</b>	0.00
International Pumps & Projects Ltd.	300	10	<b>0.06</b>	0.06
WPIL Ltd.	50	10	<b>0.01</b>	0.01
			<b>0.41</b>	0.41
Less:Provision for other than temporary diminution in value			* <b>0.00</b>	* 0.00
			<b>0.41</b>	0.41
<b>[2] Unquoted :</b>				
S & S Power Switchgear Ltd.	50	10	<b>0.07</b>	0.07
SLM Maneklal Industries Ltd.	10	100	<b>0.01</b>	0.01
Advance Bio-Coal (India) Ltd.	500	10	<b>0.05</b>	0.05
Engineering Raw Materials Consumers' Corpn. Ltd.	10	1,000	<b>0.10</b>	0.10
Alternative Energy Industries Ltd.	50	10	<b>0.01</b>	0.01
Gujarat Small Industries Baroda Industrial Development Corporation Ltd.	60	100	<b>0.06</b>	0.06
	132	1,000	<b>1.32</b>	1.32
Gujarat State Financial Corporation	100	10	<b>0.01</b>	0.01
Co-Operative Bank of Baroda Ltd.	100	25	<b>0.03</b>	0.03
Uma Co-Operative Bank Ltd.	440	25	<b>0.11</b>	0.11
			<b>1.77</b>	1.77

## 73rd Annual Report

	Nos.	Face Value	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>C Investments in Government Securities (Unquoted)</b>				
6/7 Years National Savings Certificates (` 1,64,360 deposited with Government)				
	-	164,360	1.64	1.64
Sardar Sarovar Narmada Nigam Ltd.				
	-	3,000,000	30.06	30.06
			<b>31.70</b>	<b>31.70</b>
Total Investments			<b>123.98</b>	123.98
a) Aggregate amount of Quoted Investments (Market value of ` 46.39 (Previous year ` 49.21))			<b>3.78</b>	3.78
b) Aggregate amount of Unquoted Investments			<b>120.20</b>	120.20
			<b>123.98</b>	123.98
Aggregate provision for diminution in value of investments @ Equity investments in this Company carry certain restrictions on transfer of shares that are normally provided for in joint venture agreement.			<b>* 0.00</b>	* 0.00
* Nominal value				

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 12 - Long-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Capital advances	377.84	406.56
Security deposits	107.16	108.14
Other loans and advances		
Advance payments and MAT credit of Income-tax (net of provisions ` 1124.33 (Previous year ` 1124.33))	946.58	879.04
	<b>1,431.58</b>	<b>1,393.74</b>
<b>Note 13 - Inventories</b>		
(As verified, valued and certified by the Management)		
(Valued at lower of cost and net realisable value)		
(Refer note 26(1)(E))		
Raw Materials and Components (Refer note 20)	1,355.00	1,257.17
Materials in Transit	-	66.56
Work-in-progress (Refer note 21)	2,669.16	4,431.89
Finished Goods (Refer note 21)	339.99	199.81
(Including Goods in Transit ` NIL ( P/Y ` 26.56))		
	<b>4,364.15</b>	<b>5,955.43</b>

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 14 - Trade Receivables (Unsecured)</b>		
Over Six Months from the date they are due for payment.		
Considered good	26,540.03	25,828.08
Less: Provision for doubtful receivables	6,360.97	305.62
	<u>20,179.06</u>	<u>25,522.46</u>
Others - Considered good	11,639.40	8,758.25
	<u>31,818.46</u>	<u>34,280.71</u>
<b>Note 15 - Cash and Bank Balances</b>		
Cash and cash equivalents		
Balances with banks:		
On current accounts	179.29	73.64
Cheques, drafts on hand	-	22.89
Cash on hand	12.07	18.37
	<u>191.36</u>	<u>114.90</u>
<b>Other bank balances</b>		
Unpaid dividend account	14.31	14.31
Margin money deposits (Due within 12 months ` 1348.73 (Previous year ` 874.77))	1,740.82	1,153.01
	<u>1,946.49</u>	<u>1,282.22</u>
Margin money deposits given as security for guarantees/letters of credit given by the banks.		
<b>Note 16 - Short-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Advances for supplies and expenses	3,561.74	3,631.46
Less: Provision for doubtful advances	-	80.82
	<u>3,561.74</u>	<u>3,550.64</u>
Advances to Staff	0.76	2.51
Tender deposits/ Security deposits	165.86	129.75
Advances recoverable in cash or kind	488.46	454.37
Pre-paid expenses	116.83	157.17
	<u>4,333.65</u>	<u>4,294.44</u>
<b>Note 17 - Other Current Assets</b>		
Interest accrued on fixed deposits	46.94	121.45
	<u>46.94</u>	<u>121.45</u>

## 73rd Annual Report

	2016-2017 ` lakhs	2015-2016 ` lakhs
<b>Note 18 - Revenue from Operations</b>		
Sale of Products	27,270.41	21,575.04
Sale of Services	373.28	346.82
	<u>27,643.69</u>	<u>21,921.86</u>
Less: Excise Duty	1,122.51	678.84
Net sales	<u>26,521.18</u>	<u>21,243.02</u>
Other operating revenues		
Claims	337.00	188.20
Others	62.91	55.16
	<u>399.91</u>	<u>243.36</u>
<b>Revenue from operations (Net)</b>	<u><b>26,921.09</b></u>	<u><b>21,486.38</b></u>
<b>Details of products sold</b>		
Pumps and Pumpsets	7,730.85	5,006.85
Rotating Electric Machines	1,116.93	277.83
Generating Sets	2,481.43	822.50
Switchboards	4,288.63	3,545.02
H.T. Circuit Breakers	590.20	811.44
Relays	241.35	304.80
Components, Spares and Others	9,698.51	10,127.76
	<u>26,147.90</u>	<u>20,896.20</u>
<b>Details of Services rendered</b>		
Miscellaneous Services	373.28	346.82
	<u>26,521.18</u>	<u>21,243.02</u>
<b>Note 19 - Other Income</b>		
Interest on Fixed Deposits	149.07	222.85
Income from Investments (Gross)		
Dividend	163.76	125.25
Profit/(Loss) on Sale of Fixed Assets (Net)	(21.94)	(3.66)
Other non-operating income	65.95	39.82
	<u>356.84</u>	<u>384.26</u>



	2016-2017 lakhs	2015-2016 lakhs
<b>Note 20 - Cost of Material and Components Consumed</b>		
Inventory at the beginning of the year	1,257.17	1,722.48
Add : Purchases	<u>17,881.54</u>	<u>14,018.97</u>
	19,138.71	15,741.45
Less : Inventory at the end of the year	<u>1,355.00</u>	<u>1,257.17</u>
	<u><u>17,783.71</u></u>	<u><u>14,484.28</u></u>
<b>Details of raw material and components consumed</b>		
Ferrous and Non-ferrous metals	467.87	181.25
Pipes	8.88	35.24
Stampings	192.32	61.00
Copper wires, strips, rods etc.	145.60	368.35
Ball Bearings	5.13	59.47
Components & Others	<u>16,963.91</u>	<u>13,778.97</u>
	<u><u>17,783.71</u></u>	<u><u>14,484.28</u></u>
<b>Details of inventories</b>		
Ferrous and Non-ferrous metals	38.46	17.07
Pipes	3.17	1.84
Stampings	21.09	6.36
Copper wires, strips, rods etc.	37.46	18.40
Ball Bearings	19.05	11.95
Components & Others	<u>1,235.77</u>	<u>1,201.55</u>
	<u><u>1,355.00</u></u>	<u><u>1,257.17</u></u>
<b>Note 21 - Change in Inventories of Finished Goods and Work-in-Progress</b>		
Inventory at the beginning of the year		
Work-in-progress	4,431.89	5,716.19
Finished Goods	<u>199.81</u>	<u>271.65</u>
	4,631.70	5,987.84
Inventory at the end of the year		
Work-in-progress	2,669.16	4,431.89
Finished Goods	<u>339.99</u>	<u>199.81</u>
	<u><u>3,009.15</u></u>	<u><u>4,631.70</u></u>
	<u><u>1,622.55</u></u>	<u><u>1,356.14</u></u>
<b>Details of inventories</b>		
<b>Work-in-progress</b>		
Pumps	864.15	740.99
Rotating Electric Machines	355.80	1,295.14
Hydro-generating sets	572.71	982.65
Switchboards	664.17	776.61
Vacuum Contactors	162.83	605.44
Relays	49.50	31.06
	<u>2,669.16</u>	<u>4,431.89</u>
<b>Finished Goods</b>		
Pumps	71.78	50.33
Rotating Electric Machines	105.92	106.06
Hydro-generating sets	162.02	13.41
Switchboards	-	26.56
Relays	0.27	3.45
	<u>339.99</u>	<u>199.81</u>

## 73rd Annual Report

	2016-2017 ` lakhs	2015-2016 ` lakhs
<b>Note 22 - Employee Benefits Expense</b>		
Salaries and Wages	2,625.57	2,605.59
Contribution to Provident and other funds	282.33	362.64
Staff welfare expense	123.45	112.93
	<b>3,031.35</b>	<b>3,081.16</b>
<b>Note 23 - Other Expenses</b>		
Consumption of Stores and spares	66.54	40.58
Power and Fuel	104.66	104.42
Rent	43.64	40.72
Repairs and Maintenance to		
: Building	36.83	12.27
: Machinery	63.74	57.11
: Others	74.77	67.29
Insurance	48.45	68.31
Rates and Taxes	49.21	42.56
Excise Duty (Including increase/ (decrease) of Excise Duty on inventory)	51.35	13.81
Publicity	17.87	57.04
Commission	-	13.24
Freight and Forwarding Charges	170.91	123.88
Stationery, Postage, Telephones and Telex	45.48	48.43
Bank Charges	191.54	361.63
Audit Fees and Expenses	9.84	9.79
Legal & Professional Fees	431.13	334.49
Travelling	163.44	189.23
Directors' Fees	0.86	1.00
Membership Fees and Subscriptions	6.72	4.93
Bad debts written off	381.45	-
Provision for doubtful debts / advances and Impairment of Capital WIP	176.00	386.44
Miscellaneous Expenses	178.28	242.20
Provision for diminution in value of investment *	-	-
*Nominal Value	<b>2,312.71</b>	<b>2,219.37</b>
Payment to auditors		
1) As auditor :		
Audit fees	5.98	5.95
Tax audit fees	1.38	1.03
Limited Review & Other services	1.17	1.54
Reimbursement of expenses	0.45	0.41
2) Cost audit fees	0.86	0.86
	<b>9.84</b>	<b>9.79</b>
<b>Note 24 - Finance Costs</b>		
Interest	<b>7,357.08</b>	<b>7,501.05</b>
	<b>7,357.08</b>	<b>7,501.05</b>
<b>Note 25 - Research and Development Expenses</b>		
Material Consumption	3.17	2.86
Salaries, Wages, Bonus, Gratuity and Other Benefits	99.23	104.65
Contribution to Provident and other funds	10.02	11.14
Power and Fuel	0.74	0.89
Others	81.11	136.83
	<b>194.27</b>	<b>256.37</b>

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**NOTES TO FINANCIAL STATEMENTS for the year ended 31<sup>st</sup> March, 2017.**
**Note 26:- Significant Accounting Policies and Other explanatory notes and information**
**1. Significant Accounting Policies:**
**(A) Basis of Preparation of Financial Statements**

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

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

Sales of goods :

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

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

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

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

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

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

Interest & Dividend :

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

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

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

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

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

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

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

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

**(D) Investments**

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

**(E) Inventories**

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

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

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

Work-in-progress and finished goods are valued at lower of cost and net realizable value.

Cost includes direct materials determined on a weighted average basis, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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

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

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

Employee benefits are provided as follows:

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

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

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

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

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

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

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

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

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

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

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

- (a) Provisions are recognized when the Company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.
- (b) Contingent Liabilities are disclosed after careful evaluation by the Management of facts and legal aspects of the matter involved.

(c) Contingent Assets are neither recognized nor disclosed in the financial statement except MAT Credit Entitlement.

	2016-17	2015-16
		( ` lakhs)
2. Estimated value of Capital contracts yet to be executed and not provided	<b>49.51</b>	32.33
3. Contingent liability to the extent not provided for :		
(a) Bills/Cheques discounted with scheduled banks	<b>211.19</b>	3,085.56
(b) Income Tax (*)	<b>3,362.33</b>	3,025.89
(c) Service Tax / Excise Duty/ VAT	<b>316.81</b>	77.26
(d) Compensation payable on bank sacrifice under CDR Scheme	<b>3,440.83</b>	2,375.48
(e) Claims against the Company/disputed liabilities not acknowledged as debts	<b>274.61</b>	270.46

(\*) With regard to the merits of the reported demand of ` 3025.89 lakhs for the year 2012-13 received from the Income tax authorities, the Company has represented during appeal proceedings, outcome of which is expected shortly. In the meantime, based on identical merits, the Company has received favourable orders from the Income tax authorities for subsequent year upholding the Company's stand in the matter.

	2016-17	2015-16
4. <b>Earning Per Share</b>		
Profit/(Loss) after Tax available for equity shareholders ( ` lakhs)	(A) <b>(12,423.25)</b>	(8,279.76)
No. of Equity Shares / Weighted Average number of equity shares	(B) <b>171,28,992</b>	171,28,992
Earning per share (Basic and diluted) (in `)	(A/B) <b>(72.53)</b>	(48.34)
Face value of ` 10 per share		

5. Net Gain on account of foreign exchange fluctuation ` 39.08 lakhs (Previous Year Net Loss ` 71.78 lakhs) has been accounted for in the Statement of Profit & Loss.

	2016-17	2015-16
6. Based on information / documents available with the Company, Sundry Creditors include -		( ` lakhs)
	<b>112.55</b>	126.51
(a) Amount due to Small Scale Undertakings (Total Amount)	<b>63.66</b>	100.42
(b) Amount Overdue on account of principal and / or interest	<b>63.66</b>	100.42
(c) Amount Outstanding together with interest for more than 45 days		

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

	2016-17	2015-16
		( ` lakhs)
(a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year	<b>112.55</b>	126.51
(ii) The interest due on above	<b>1.21</b>	1.14
(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.	-	-

## 73rd Annual Report

### 7. Disclosures for defined benefit plans based on actuarial reports as on 31<sup>st</sup> March, 2017

(` lakhs)

	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Expenses recognized in the Statement of Profit &amp; Loss for the year ended on 31st March, 2017</b>				
Current Service Cost	36.97	21.09	43.82	24.21
Interest Cost	74.21	16.60	60.36	16.97
Employer Contributions	—	—	—	—
Expected return on plan assets	(2.81)	—	(2.99)	—
Net Acturial (Gains) / Losses	34.52	(3.38)	82.76	(10.87)
Past Service Cost	—	—	—	—
Settlement Cost	—	—	—	—
<b>Total Expenses</b>	<b>142.89</b>	<b>34.31</b>	183.95	30.31
<b>Net Asset / (Liability) recognised in the Financial Statement as at 31st March, 2017</b>				
Present value of Defined Benefit Obligation as at 31st March, 2017	669.25	213.98	944.17	211.18
Fair Value of plan asstes as at 31st March, 2017	37.19	—	35.84	—
Funded status [ Surplus / (Deficit) ]	(632.06)	(213.98)	(908.33)	(211.18)
Net Asset / (Liability) as at 31st March, 2017	(632.06)	(213.98)	(908.33)	(211.18)
<b>Change in Obligation during the Year ended on 31st March, 2017</b>				
Present value of Defined Benefit Obligation at beginning of the year	908.33	211.18	724.38	214.23
Current Service Cost	36.97	21.09	43.82	24.21
Interest Cost	71.40	16.60	57.37	16.97
Settlement Cost	—	—	—	—
Past Service Cost	—	—	—	—
Employer Contributions	—	—	—	—
Acturies (Gains) / Losses	34.52	(3.38)	82.76	(10.87)
Benefits Payments	(419.16)	(31.51)	—	(33.36)
Present value of Defined Benefit Obligation at the end of the year	632.06	213.98	908.33	211.18
<b>Actuarial Assumptions</b>				
Discount Rate	7.39%	7.39%	7.86%	7.86%
Expected rate of return on plan assets	7.39%	0.00%	7.86%	0.00%
Rate of escalation in salary (p.a.)	6.00%	6.00%	6.00%	6.00%

8. The Company is engaged in manufacturing of engineering goods only and, therefore, there is only one reportable segment in accordance with Accounting Standard (AS 17).

9. As required by Accounting Standard AS - 18 "Related Parties Disclosures" issued by the Institute of Chartered Accountants of India are as follows:

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

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



- (c) Joint Venture : Jyoti Sohar Switchgear L.L.C.,Oman
- (d) Key Management Personnel :  
 Chairman & Managing Director - Mr. Rahul Nanubhai Amin  
 Chief Financial Officer - Mr. Jayesh Verma  
 Vice President (Legal) & Company Secretary - Mr. Suresh Singhal
- (e) Relative of Key Managerial Personnel :  
 Non-Executive Director - Mrs. Tejal Rahul Amin
- (e) Transactions with related parties during the year 2016-17 ( ` lakhs)

Nature of Transactions	Associate Companies / Firm	Joint Venture	Key Management Personnel
Purchases	<b>420.34</b> (181.39)	— (—)	— (—)
Sales / Others	<b>25.52</b> (61.27)	<b>2,248.51</b> (1,201.91)	— (—)
Managerial Remuneration / Sitting fees/ Others	— (—)	— (—)	<b>86.33</b> (84.96)
Salary & Perquisites	— (—)	— (—)	<b>62.95</b> (51.35)
Outstandings			
- Payables	<b>9.84</b> (12.46)	— (—)	— (—)
- Receivables	<b>10.24</b> (—)	<b>20.76</b> (30.76)	— (—)

10. Net Deferred Tax Asset / Liability of ` (30.78) lakhs has been recognized for the year to the statement of Profit and Loss on account of Employees benefits and Depreciation.

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

	As at 31-03-2017 ( ` lakhs)	As at 31-03-2016 ( ` lakhs)
Deferred Tax Liability	<b>(110.48)</b>	(162.00)
Less : Deferred Tax Assets	<b>79.70</b>	(62.78)
Deferred Tax Expense for the year	<b>(30.78)</b>	(224.78)

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

Deferred Tax Liability :		
- Depreciation	<b>408.75</b>	519.23
- Others	<b>512.37</b>	512.37
	<b>921.12</b>	1,031.60
Deferred Tax Assets :		
- Provisions (Net of Payment) & Others	<b>344.24</b>	423.94
Net Deferred Tax Liability/(Assets)	<b>576.88</b>	607.66

11. (a) Operating Lease Obligations :  
 Where the Company is a Lessee :  
 The Company has taken various commercial premises under operating lease or leave and license agreements. Lease Payments are recognised in the Profit & Loss Account.

	` lakhs
Payable not later than one year	14.68

## 73rd Annual Report

12. (a) The accounts of Trade Receivables, Trade Payables and Advances are subject to reconciliation/confirmation.
- (b) In the opinion of the Company, Current Assets and Non-Current Assets, Loans and Advances have values on realization in the ordinary course of business at least equal to the amount at which they are stated.
13. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31<sup>st</sup> March, 2017, except Dividend amounting to ₹ 2.00 lakhs, which is subjudice.
14. As per CDR Guidelines, Promoters have brought necessary contribution amounting to ₹ 1980.00 lakhs by way of Share Application Money which will be converted into Share Capital subject to approval of appropriate authorities.
15. In the recent years, continued slowdown and subdued demand from the infrastructure sectors like Water, Irrigation and Power resulted in stagnation of turnover and decline in profitability. Despite adequate order book in hand, Company could not progress on various orders. The Company also faced severe working capital shortage, which led to devolvement of LCs falling due for payments. Non-availability of documentary credit disrupted the material supplies and thereby production/execution process, leading to severe liquidity crunch. Company failed to meet its commitments towards its suppliers. This resulted in further delay in execution of projects which were underway. Slowdown in infra sector also impacted Company's customers i.e. principal contractors/partners, by way of non recovery of dues from them, leading to slow execution of orders. In the backdrop of delayed execution cycle directly increasing the envisaged cost of projects, Company faced challenge to manage its receivables cycle on two counts, firstly derailment of collection trend from envisaged schedule, secondly likelihood of probable bad debts. As a result, after detailed assessment of the overall receivables outstanding, Management has considered making a provision for doubtful debts of ₹ 6360.97 lakhs in the books of account. The amount, being of very high material value and incidence, has been disclosed as an Exceptional Item in the Statement of Profit & Loss.

16. Repayment Schedule of Bank Loans :-

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

As on 31<sup>st</sup> March, 2017, the overdue amount on account of interest on various Term Loans, Working Capital Demand Loans, Letters of Credit and Installment of Term Loan was ₹ 26,787.47 lakhs.

17. In view of erosion of Net Worth of the Company as at 31.03.2014, the Company filed a reference application u/s 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with Hon. Board for Industrial and Financial Reconstruction (BIFR) for determination of measures which may be adopted with respect to the Company.

The Hon. BIFR, in the hearing held on 05.10.2015, declared the Company a Sick Industrial Company in terms of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act,

1985 (SICA) and appointed the lead bank, Central Bank of India as Operating Agency (OA) under section 17(3) of the Act to examine the viability of the Company and for formulating a Draft Rehabilitation Scheme (DRS) for revival of the Company with a Cut Off Date of 31.03.2016. SICA has since been repealed w.e.f 01.12.2016.

Under relevant provision under section 13 (2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act"), the lending banks have commenced proceedings which are being addressed by the Company, for an amicable resolution of debts due to lenders. The Company has been of the view that given its status as an ongoing operating company with improved business prospects, the lending banks may kindly consider to keep in abeyance, further actions under relevant provisions.

While Company's proposals for debt restructuring have hitherto not found favour with the lending banks, it may be noted that the Company's performance has shown a marked improvement in operations during the current year. Company continues to execute orders in hand and obtain new orders, despite adversities. The uptrend is expected to continue. The Management is very positive about the Company's viability and optimistic about its future.

In view thereof, the Financial Statements have been prepared by the Management on a 'Going Concern' basis and no adjustment is considered necessary, except for the provisions made in the books of account, to the recorded assets, recorded liabilities, contingent liabilities and other commitments.

18. In accordance with provisions of Sections 196, 197, 198 and 203 read together with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board of Directors of the Company at their meeting held on 28<sup>th</sup> May, 2016 and 30<sup>th</sup> May, 2016 respectively approved the re-appointment of Mr. Rahul Amin as Managing Director of the Company for a period of 3 (three) years with effect from 25<sup>th</sup> June, 2016, subject to the approval of the Shareholders of the Company and Central Government.

The Members at their meeting held on 26<sup>th</sup> November, 2016 approved the re-appointment of Mr. Rahul Amin as Managing Director of the Company for a period of 3 (three) years with effect from 25<sup>th</sup> June, 2016, subject to the approval of the Central Government.

The approval from the Central Government is awaited.

19. The details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 as provided in the Table below :-

(` lakhs)			
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	8.10	3.93	12.03
( + ) Permitted receipts	0.69	26.52	27.21
( - ) Permitted payments	-	26.23	26.23
( - ) Amount deposited in Banks	8.79	-	8.79
Closing cash in hand as on 30.12.2016	-	4.22	4.22

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

## 73rd Annual Report

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

<b>i) Imports calculated on C.I.F. basis</b>		(` lakhs)
Raw Materials		<b>55.70</b>
		(158.61)
<b>ii) Expenditure in Foreign Currencies</b>		(` lakhs)
Travelling Expenses		<b>4.07</b>
		(11.73)
Others		<b>10.41</b>
		(80.24)
<b>iii) Raw Materials Consumed</b>	(` lakhs)	% to Total Consumption
a) Imported	<b>107.12</b>	<b>0.60</b>
	(230.87)	(1.59)
b) Indigenous	<b>17,676.59</b>	<b>99.40</b>
	(14,253.41)	(98.41)
	<b>17,783.71</b>	<b>100.00</b>
	(14,484.28)	(100.00)
<b>iv) Earnings in Foreign Exchange</b>		(` lakhs)
a) F.O.B Value of Exports		<b>2,252.69</b>
		(1,194.28)
b) Dividend		<b>163.74</b>
		(125.14)
<b>v) Stores Consumed</b>		(` lakhs)
a) Imported		-
		( - )
b) Indigenous		<b>66.54</b>
		(40.58)

(Previous year's figures are shown in brackets)

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**Cash flow statement for the year ended on 31st March, 2017.**

	2016-2017 lakhs	2015-2016 lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax and non-recurring items :	<b>(12,454.03)</b>	(8,378.42)
<b>Adjustments for</b>		
1. Depreciation	<b>1,069.32</b>	1,350.69
2. Finance Cost charged	<b>7,357.08</b>	7,501.05
3. Interest Received	<b>(149.07)</b>	(222.85)
4. Dividend Received	<b>(163.76)</b>	(125.25)
5. (Profit)/Loss on Sale of Fixed Assets (Net)	<b>21.94</b>	3.66
6. Bad Debts written off	<b>381.45</b>	-
7. Provision for doubtful debts / advances and impairment of Capital WIP	<b>6,536.97</b>	386.44
8. Provision for diminution in value of Investments*	-	-
	<b>15,053.93</b>	8,893.74
Operating profit / (loss) before working capital changes	<b>2,599.90</b>	515.32
<b>Movement in Working Capital</b>		
1. Trade and Other Receivables	<b>(4,215.17)</b>	916.02
2. Inventories	<b>1,591.28</b>	1,893.55
3. Trade and Other Payables	<b>4,148.28</b>	19.19
Net change in working capital	<b>1,524.39</b>	2,828.76
Cash Generated from Operations	<b>4,124.29</b>	3,344.08
Direct Taxes Paid (Net)	<b>(67.54)</b>	269.09
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>4,056.75</b>	3,613.17

## 73rd Annual Report

	2016-2017 lakhs	2015-2016 lakhs
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
1. Purchase of Fixed Assets (including CWIP and capital advances)	(306.61)	(49.55)
2. Proceeds from Sale of Fixed Assets	20.04	2.00
3. Interest Received	149.07	222.85
4. Dividend Received	163.76	125.25
<b>NET CASH UTILISED IN INVESTING ACTIVITIES (B)</b>	<b>26.26</b>	<b>300.55</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
1. Proceeds from borrowings (Net)	(3,259.95)	987.82
2. Interest Paid	(158.79)	(5,364.41)
<b>NET CASH GENERATED IN FINANCIAL ACTIVITIES (C)</b>	<b>(3,418.74)</b>	<b>(4,376.59)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>664.27</b>	<b>(462.87)</b>
Cash and Cash Equivalents as at 01/04/2016	1,282.22	1,745.09
Cash and Cash Equivalents as at 31/03/2017	1,946.49	1,282.22

Notes : i) Previous year figures are regrouped wherever necessary.

ii) Figures in brackets indicate negative figures.

\* Nominal Value

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

13<sup>th</sup> May, 2017

**Jayesh Verma**  
Chief Financial Officer

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

**Rahul N. Amin**

Chairman & Managing Director

Directors

**Mrs. T. R. Amin**

**Mr. V. K. Gulati**

**Dr. R. M. Khajuria**

**Mr. T. C. Dayal**

**Mr. S. S. Bhattbhatt**

**Mr. M. R. Patel**

Vadodara

13<sup>th</sup> May, 2017



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## CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To the Members of **Jyoti Limited**

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Jyoti Limited** (hereinafter referred to as "the Company") where in Company's investment in its Joint Venture namely Jyoti Sohar LLC (Sultanate of Oman) together referred to as "the Group", comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, available Financial Statement of Joint venture up to 31<sup>st</sup> December, 2016 prepared as per International Financial Reporting Standard, the Consolidated Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements"). The consolidated financial statements have been prepared for the first time in the previous year 2015-16. In absence of figures for the year 2014-15, the previous year's Cash Flow Statement is not consolidated. Refer note no. 26(11) of Consolidated Financial Statements.

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

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

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

### Auditor's Responsibility

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

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

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

## 73rd Annual Report

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2017, and their Consolidated Loss for the year ended on that date.

### Other Matters

The financial statements up to 31st December, 2016, of Joint Venture company which have been consolidated have been audited by other auditor as per International Financial Reporting Standard, whose report has been furnished to us by the Management and our opinion and report in terms of Sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of this joint venture company, is based solely on the reports of the other auditors.

We did not audit the financial statements / financial information of joint venture Company whose financial statements / financial information reflect Total Assets of ₹ 3090.43 lakhs as at 31st December, 2016, Total Revenues of ₹ 3336.67 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements.

The Consolidated Financial Statements also include the Group's share of net profit of ₹ 814.63 lakhs for the year ended 31st March, 2017 as considered in the consolidated financial statements, in respect of joint venture Company whose financial statements / financial information have not been audited by us.

As informed by the management, there are no material transactions during the remaining period i.e. 1st January, 2017 to 31st March, 2017, of Joint Venture on the consolidated financial statements as at 31st March, 2017. Refer Note No. 26 (9) to the consolidated financial statements.

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

### Emphasis of Matters

- (a) Note No. 26(17) in the financial statements which indicates that, in view of erosion of Net Worth of the Company as at 31.03.2014, the Company, in compliance with the provisions of Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985, made a reference to Board of Industrial and Financial Reconstruction (BIFR). The Hon. BIFR, in the hearing held on 05.10.2015, declared the Company a Sick Industrial Company in terms of Section 3 (1) (o) of the Sick Industrial companies (Special Provisions) Act, 1985 and appointed the lead bank, Central Bank of India as Operating Agency (OA) under section 17(3) of the Act to examine the viability of the Company and for formulating a Draft Rehabilitation Scheme (DRS) for revival of the Company with a Cut Off Date of 31.03.2016. SICA has since been repealed w.e.f. 01.12.2016.

In view of continued losses, total erosion of the Net Worth, Current Liabilities Exceeds Current Assets, Liquidity constraint, Inability to comply with the terms of loan agreements and that the Company has received notices from all consortium banks under section 13(2) of the Securitization

and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) asking the Company to discharge the liabilities in full, there is an uncertainty about the Company's ability to continue as a going concern. However, the management is very positive about its viability and optimistic about its future in view of Company's performance, which has shown a marked improvement in operations during the current year. Company continues to execute orders in hand and obtain new orders, despite adversities. The uptrend is expected to continue. The Company is seriously considering alternative proposals to reach at an amicable debt resolution with the banks.

In view thereof, the Consolidated Financial Statements have been prepared by the Management on a 'Going Concern' basis. No adjustment is considered necessary by the Management to the recorded assets, recorded liabilities, contingent liabilities and other commitments for the reasons and perception of the Management.

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

Our opinion is not modified in respect of these matters.

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

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement ( Refer Note No. 26(11) ) dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) The matters described in sub-paragraph (a) & (b) under the Emphasis of Matters paragraph above, in our opinion, may have an effect on the functioning of the Company.
  - f) On the basis of written representations received from the directors of the Company as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors of the Company, none of the directors of the company is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - g) The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company. The Joint Venture is a Foreign Company, hence, Company's Act, 2013 is not applicable. However, for Indian Company, please refer our Annexure B of Standalone report.

## 73rd Annual Report

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- h) With respect to the other matters included in the Auditor's Report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note no 26 (1) to the consolidated financial statements.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
  - iii) There was no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except dividend under dispute amounting to ` 2 lakhs, which is subjudice.
  - iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. These are in accordance with the books of accounts maintained by the company (Refer Note No. 26(19) in Standalone Notes to Accounts).
  - v) Share Application Money of ` 1980 lakhs outstanding since financial year 2013-14. We have been given to understand by the Management that it will be converted into share capital on approval of appropriate authorities.
  - vi) Requisite Approval of the Managerial Remuneration under section 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956 was granted up to 24<sup>th</sup> June, 2016, as per Central Government letter no. SRN B71385652/4/2013- CL.VII dated 4<sup>th</sup> October, 2013. During the year, Company has paid managerial remuneration for which we have been informed that company has applied for requisite approval to the Central Government under provisions of section 197 read with Schedule V to the Companies Act, 2013 ( Refer Note No 26(18) ). We have been further informed that ` 65.93 lakhs is involved and Company has taken appropriate step for securing refund of the same in case the approval is not granted by Central Government.

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

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

Vadodara  
13<sup>th</sup> May, 2017

**CONSOLIDATED BALANCE SHEET as at 31st March, 2017**

	Note No.	As at 31-03-2017 lakhs	As at 31-03-2016 lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,712.90	1,712.90
(b) Reserves and Surplus	2	<b>(36,284.35)</b>	<b>(24,614.67)</b>
		<b>(34,571.45)</b>	<b>(22,901.77)</b>
<b>Share Application Money Pending Allotment</b>			
		1,980.00	1,980.00
<b>Non-current Liabilities</b>			
(a) Long-term borrowings	3	23,320.50	27,881.72
(b) Deferred tax liabilities (Net)		561.20	601.21
(c) Other long-term liabilities	4	3,375.57	4,027.39
(d) Long-term provisions	5	840.08	1,006.35
		<b>28,097.35</b>	<b>33,516.67</b>
<b>Current Liabilities</b>			
(a) Short-term borrowings	6	26,337.31	25,036.04
(b) Trade Payable	7	11,338.35	10,813.96
(c) Other current liabilities	8	25,857.26	13,926.78
(d) Short-term provisions	9	150.75	233.90
		<b>63,683.67</b>	<b>50,010.68</b>
<b>TOTAL</b>		<b>59,189.57</b>	<b>62,605.58</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10(a)	9,019.71	9,823.19
(ii) Intangible Assets	10(b)	0.64	63.58
(iii) Capital Work-In-Progress		3,223.13	3,399.13
(b) Non-current Investments	11	37.25	37.25
(c) Long-term loans and advances	12	1,431.58	1,393.74
		<b>13,712.31</b>	<b>14,716.89</b>
<b>Current Assets</b>			
(a) Inventories	13	5,164.86	6,589.80
(b) Trade Receivables	14	32,664.49	34,599.20
(c) Cash and Cash equivalents	15	3,267.32	2,283.80
(d) Short-term loans and advances	16	4,333.65	4,294.44
(e) Other current assets	17	46.94	121.45
		<b>45,477.26</b>	<b>47,888.69</b>
<b>TOTAL</b>		<b>59,189.57</b>	<b>62,605.58</b>

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

26

As per our Report attached of even date

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

Chartered Accountants

Firm Reg. No. 103047W

**Vijay H. Gandhi**

Proprietor

M. No. 35581

Vadodara

13<sup>th</sup> May, 2017

**Jayesh Verma**  
Chief Financial Officer

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

**Rahul N. Amin**

Chairman & Managing Director

Directors

**Mrs. T. R. Amin**

**Mr. V. K. Gulati**

**Dr. R. M. Khajuria**

**Mr. T. C. Dayal**

**Mr. S. S. Bhattbhatt**

**Mr. M. R. Patel**

Vadodara

13<sup>th</sup> May, 2017

## 73rd Annual Report

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2017

	Note No.	2016-2017 ` lakhs	2015-2016 ` lakhs
Revenue From Operations	18	30,257.76	23,778.88
Other Income	19	358.06	385.49
<b>Total Revenue (I)</b>		<b>30,615.82</b>	<b>24,164.37</b>
<b>Expenses</b>			
Cost of material and components consumed	20	19,862.24	15,980.19
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	1,622.55	1,356.14
Employee Benefits Expense	22	3,263.40	3,274.15
Finance costs	24	7,357.08	7,501.05
Depreciation and amortisation expense		1,150.06	1,387.57
Other expenses	23	2,337.06	2,240.03
Research and Development Expenses	25	194.27	256.37
<b>Total Expenses (II)</b>		<b>35,786.66</b>	<b>31,995.50</b>
Profit/(Loss) Before Exceptional Items (I)-(II)		<b>(5,170.84)</b>	(7,831.13)
<b>Exceptional Item</b>		<b>6,360.97</b>	-
Profit/(Loss) Before Tax		<b>(11,531.81)</b>	(7,831.13)
Tax Expense:			
- Current Tax		116.51	75.38
- Deferred Tax		(39.70)	(231.23)
- Tax expense for earlier years		-	126.12
Profit/ (Loss) for the year		<b>(11,608.62)</b>	<b>(7,801.40)</b>
Earning per Share (Basic & Diluted) (In `) (Face Value ` 10/-)		<b>(67.77)</b>	(45.55)
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  
13<sup>th</sup> May, 2017

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

**Rahul N. Amin**  
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Directors

**Mrs. T. R. Amin**      **Mr. T. C. Dayal**  
**Mr. V. K. Gulati**      **Mr. S. S. Bhattbhatt**  
**Dr. R. M. Khajuria**      **Mr. M. R. Patel**  
Vadodara  
13<sup>th</sup> May, 2017



## Notes to Consolidated Financial Statements

	As at 31-03-2017 ₹ lakhs	As at 31-03-2016 ₹ lakhs
<b>Note 1 - Share Capital</b>		
<b>a) Share Capital</b>		
<b>Authorised</b>		
2,50,00,000 (31st March, 2016: 2,50,00,000) Equity Shares of ₹ 10 each	<b>2,500.00</b>	2,500.00
	<b>2,500.00</b>	2,500.00
<b>Issued, Subscribed and Paid Up</b>		
1,71,28,992 (31st March, 2016: 1,71,28,992) Equity Shares of ₹ 10 each fully paid	<b>1,712.90</b>	1,712.90

Note :

The above includes:

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

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

	As at 31-03-2017		As at 31-03-2016	
	No.	₹ lakhs	No.	₹ lakhs
<b>Equity Shares of ₹ 10</b>				
At the beginning of the period	<b>17,128,992</b>	<b>1,712.90</b>	17,128,992	1,712.90
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>17,128,992</b>	<b>1,712.90</b>	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.

## 73rd Annual Report

### 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 31-03-2017		As at 31-03-2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Insutech Industries Ltd.	2,337,654	13.65	2,337,654	13.65
2 JSL Industries Ltd.	1,074,239	6.27	1,074,239	6.27
3 Rahul N. Amin	1,084,100	6.33	1,084,100	6.33
4 Signora Finance Pvt. Ltd.	-	-	966,278	5.64

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 2 - Reserves and Surplus</b>		
<b>Capital Reserve</b>		
Balance as per last Financial Statement	253.04	253.04
Current value of Investment in Joint venture	842.45	
Less: Cost of Investment	<u>86.73</u>	<u>755.72</u>
	1,008.76	1,008.76
<b>Capital Redemption Reserve</b>		
Balance as per last Financial Statement	25.00	25.00
<b>Securities Premium Reserve</b>		
Balance as per last Financial Statement	6,684.48	6,684.48
<b>Revaluation Reserve</b>		
Balance as per last Financial Statement	411.47	412.97
Less: amount transferred to General Reserve	1.50	1.50
Closing balance	<u>409.97</u>	<u>411.47</u>
<b>General Reserve</b>		
Balance as per last Financial Statement	39.68	38.18
Add: amount transferred from Revaluation Reserve	1.50	1.50
	<u>41.18</u>	<u>39.68</u>
<b>Legal Reserve</b>		
Balance as per last Financial Statement	221.75	167.50
Add: amount transferred from Statement of Profit &	60.44	54.25
	<u>282.19</u>	<u>221.75</u>
<b>Foreign Currency Reserve</b>		
Exchange rate differences on translations	112.18	-
	<u>112.18</u>	<u>-</u>
<b>Surplus/(deficit) in Statement of Profit and Loss</b>		
Balance as per last Financial Statement	(33,005.81)	(25,353.04)
Share of Reserve in Joint Venture as per transitional provision of AS-27	-	329.25
Add: Profit /(Loss) for the year	<u>(11,608.62)</u>	<u>(7,801.40)</u>
Net surplus/(deficit) in the Statement of Profit and Loss	<u>(44,614.43)</u>	<u>(32,825.19)</u>
Transfer to Legal reserve	60.44	54.25
Dividend for the year	173.24	126.37
	<u>(44,848.11)</u>	<u>(33,005.81)</u>
<b>Total Reserves and Surplus</b>	<u>(36,284.35)</u>	<u>(24,614.67)</u>

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 3 - Long-term Borrowings</b>		
Term Loans		
From Banks (Secured)	<b>23,170.17</b>	27,509.17
From Technology Development Board (Secured)	<b>150.33</b>	372.55
	<b><u>23,320.50</u></b>	<u>27,881.72</u>

**Notes :-**

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

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 4 - Other Long-term Liabilities</b>		
Advances from customers	<b>3,375.57</b>	4,027.39
	<b><u>3,375.57</u></b>	<u>4,027.39</u>

**Note 5 - Long-term Provisions**

Employee benefits	<b>840.08</b>	1,006.35
	<b><u>840.08</u></b>	<u>1,006.35</u>

## 73rd Annual Report

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 6 - Short-term Borrowings</b>		
Loans payable on demand (Secured) from Banks (Including Due but not paid ` 7661.68 (P/Y ` 5390.42)) Refer Note no. 3 for securities and interest rates.	<u>26,337.31</u>	<u>25,036.04</u>
<b>Note 7 - Trade Payables</b>		
Micro and small enterprises	112.55	126.51
Others	11,225.80	10,687.45
	<u>11,338.35</u>	<u>10,813.96</u>
<b>Note 8 - Other Current Liabilities</b>		
Current maturities of long-term debt (Secured)		
Term loan from TDB (Including Due but not paid ` 441.33 (P/Y ` 219.11))	663.55	441.33
Term loans from Banks (Including Due but not paid ` 7124.50 (P/Y ` 3320.50))	11,463.50	7,124.50
Interest accrued and due (Secured)	11,559.96	3,449.16
Interest accrued but not due (Secured)	48.49	154.54
Other liabilities (Unsecured)		
Advances from customers	1,800.10	1,876.30
Unclaimed dividend	14.24	14.25
Others	307.42	866.70
Refer Note no. 3 for securities and interest rates.		
	<u>25,857.26</u>	<u>13,926.78</u>
<b>Note 9 - Short-term Provisions</b>		
Employee benefits	150.75	233.90
	<u>150.75</u>	<u>233.90</u>

**Note 10 - Fixed Assets** (lakhs)

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK			
	Cost as at 31-03-16	Additions	Adjustments	Deductions	Foreign Currency Translation adjustments	Cost as at 31-03-17	Total up to 31-03-16	Deductions	Adjustments	During the year	Foreign Currency Translation adjustments	Total up to 31-03-17	As at 31-03-17	As at 31-03-16
<b>(a) Tangible Assets</b>														
Free Hold Land *	650.42	168.82	—	—	—	819.24	—	—	—	—	—	—	819.24	650.42
Buildings	3196.56	—	—	—	4.88	3201.44	915.48	—	—	91.42	2.49	1009.39	2192.05	2281.08
Plant and Equipments	11233.14	19.17	—	24.47	0.81	11228.65	5945.14	3.87	15.10	777.85	0.58	6734.80	4493.85	5288.00
R & D Equipments	1818.77	—	—	—	—	1818.77	609.73	—	—	93.53	—	703.26	1115.51	1209.04
Furniture and Fixtures	349.99	4.93	—	1.50	0.52	353.94	220.05	0.96	—	27.74	0.47	247.30	106.64	129.94
Vehicles	329.20	124.47	—	64.91	1.10	389.86	190.42	44.68	—	46.44	0.75	192.93	196.93	138.78
Office Equipments	714.11	4.49	—	11.97	0.35	706.98	676.52	11.35	—	20.55	0.29	686.01	20.97	37.59
Electrical Installations	153.53	—	—	—	—	153.53	65.19	—	—	13.82	—	79.01	74.52	88.34
<b>TOTAL</b>	<b>18445.72</b>	<b>321.88</b>	<b>—</b>	<b>102.85</b>	<b>7.66</b>	<b>18672.41</b>	<b>8622.53</b>	<b>60.86</b>	<b>15.10</b>	<b>1071.35</b>	<b>4.58</b>	<b>9652.70</b>	<b>9019.71</b>	<b>9823.19</b>
<b>(b) Intangible Assets</b>														
Software Licences	398.89	—	—	—	1.50	400.39	335.31	—	—	63.61	0.83	399.75	0.64	63.58
<b>TOTAL</b>	<b>398.89</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1.50</b>	<b>400.39</b>	<b>335.31</b>	<b>—</b>	<b>—</b>	<b>63.61</b>	<b>0.83</b>	<b>399.75</b>	<b>0.64</b>	<b>63.58</b>
<b>GRAND TOTAL</b>	<b>18844.61</b>	<b>321.88</b>	<b>—</b>	<b>102.85</b>	<b>9.16</b>	<b>19072.80</b>	<b>8957.84</b>	<b>60.86</b>	<b>15.10</b>	<b>1134.96</b>	<b>5.41</b>	<b>10052.45</b>	<b>9020.35</b>	<b>9886.77</b>
PREVIOUS YEAR	18807.33	53.18	—	15.90	—	18844.61	7580.51	10.24	179.13	1208.44	—	8957.84	9886.77	—

**Notes :**

- 1) Vehicles include gross value of ` 6.10 lakhs purchased under hire purchase arrangements .
- 2) \* Part of the Land is given on long term lease.
- 3) Adjustments includes provision for impairment of assets amounting to ` 15.10 lakhs (Previous Year ` 179.13 lakhs)

## 73rd Annual Report

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

	Nos.	Face Value	As at 31-03-2017 lakhs	As at 31-03-2016 lakhs
<b>A Trade Investment</b>				
<b>Investment in Equity Instruments</b>				
<b>[1] Quoted</b>				
JSL Industries Ltd. (Associate Company)	29,255	10	<b>3.37</b>	3.37
<b>Investment in Joint Venture Company</b>				
<b>[2] Unquoted :</b>				
Jyoti Sohar Switchgear LLC, Oman @	490,000	(RO) 1	<b>86.73</b>	86.73
Less : Transferred to Capital Reserve			<b>86.73</b>	86.73
			-	-
<b>B Others</b>				
<b>Investment in Equity Instruments</b>				
<b>[1] Quoted :</b>				
MPIL Corporation Ltd.	2	10	* <b>0.00</b>	* 0.00
Mather & Platt Fire Systems Ltd.	9	10	* <b>0.00</b>	* 0.00
Kirloskar Oil Engines Limited	790	2	<b>0.01</b>	0.01
Pneumatic Holdings Limited	52	10	<b>0.01</b>	0.01
ABB India Limited	335	2	<b>0.32</b>	0.32
S. Kumars Nationwide Ltd.	50	10	* <b>0.00</b>	0.00
International Pumps & Projects Ltd.	300	10	<b>0.06</b>	0.06
WPIL Ltd.	50	10	<b>0.01</b>	0.01
			<b>0.41</b>	0.41
Less:Provision for other than temporary diminution in value			* <b>0.00</b>	* 0.00
			<b>0.41</b>	0.41
<b>[2] Unquoted :</b>				
S & S Power Switchgear Ltd.	50	10	<b>0.07</b>	0.07
SLM Maneklal Industries Ltd.	10	100	<b>0.01</b>	0.01
Advance Bio-Coal (India) Ltd.	500	10	<b>0.05</b>	0.05
Engineering Raw Materials Consumers' Corpn. Ltd.	10	1,000	<b>0.10</b>	0.10
Alternative Energy Industries Ltd.	50	10	<b>0.01</b>	0.01
Gujarat Small Industries	60	100	<b>0.06</b>	0.06
Baroda Industrial Development Corporation Ltd.	132	1,000	<b>1.32</b>	1.32
Gujarat State Financial Corporation	100	10	<b>0.01</b>	0.01
Co-Operative Bank of Baroda Ltd.	100	25	<b>0.03</b>	0.03
Uma Co-Operative Bank Ltd.	440	25	<b>0.11</b>	0.11
			<b>1.77</b>	1.77



	Nos.	Face Value	As at 31-03-2017 lakhs	As at 31-03-2016 lakhs
<b>C Investments in Government Securities (Unquoted)</b>				
6/7 Years National Savings Certificates (` 1,64,360 deposited with Government)	-	164,360	1.64	1.64
Sardar Sarovar Narmada Nigam Ltd.	-	3,000,000	30.06	30.06
			<b>31.70</b>	31.70
Total Investments			<b>37.25</b>	37.25
a) Aggregate amount of Quoted Investments (Market value of ` 46.39 (Previous year ` 49.21))			<b>3.78</b>	3.78
b) Aggregate amount of Unquoted Investments			<b>33.47</b>	33.47
			<b>37.25</b>	37.25
Aggregate provision for diminution in value of investments			<b>* 0.00</b>	* 0.00
<p>@ Equity investments in this Company carry certain restrictions on transfer of shares that are normally provided for in joint venture agreement.</p> <p>* Nominal value</p>				

	As at 31-03-2017 lakhs	As at 31-03-2016 lakhs
<b>Note 12 - Long-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Capital advances	377.84	406.56
Security deposits	107.16	108.14
Other loans and advances		
Advance payments and MAT credit of Income-tax (net of provisions ` 1124.33 (Previous year ` 1124.33))	946.58	879.04
	<b>1,431.58</b>	1,393.74
<b>Note 13 - Inventories</b>		
(As verified, valued and certified by the Management)		
(Valued at lower of cost and net realisable value)		
Raw Materials and Components	2,155.71	1,891.54
Materials in Transit	-	66.56
Work-in-progress	2,669.16	4,431.89
Finished Goods	339.99	199.81
(Including Goods in Transit ` NIL ( P/Y ` 26.56))		
	<b>5,164.86</b>	6,589.80

## 73rd Annual Report

	As at 31-03-2017 ` lakhs	As at 31-03-2016 ` lakhs
<b>Note 14 - Trade Receivables (Unsecured)</b>		
Over Six Months from the date they are due for payment.		
Considered good	27,386.06	25,828.08
Less: Provision for doubtful receivables	6,360.97	305.62
	<u>21,025.09</u>	<u>25,522.46</u>
Others - Considered good	11,639.40	9,076.74
	<u>32,664.49</u>	<u>34,599.20</u>
<b>Note 15 - Cash and Bank Balances</b>		
Cash and cash equivalents		
Balances with banks:		
On current accounts	1,500.12	1,075.22
Cheques, drafts on hand	-	22.89
Cash on hand	12.07	18.37
	<u>1,512.19</u>	<u>1,116.48</u>
<b>Other bank balances</b>		
Unpaid dividend account	14.31	14.31
Margin money deposits (Due within 12 months ` 1348.73 (Previous year ` 874.77))	1,740.82	1,153.01
	<u>3,267.32</u>	<u>2,283.80</u>
Margin money deposits given as security for guarantees/letters of credit given by the banks.		
<b>Note 16 - Short-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Advances for supplies and expenses	3,561.74	3,631.46
Less: Provision for doubtful advances	-	80.82
	<u>3,561.74</u>	<u>3,550.64</u>
Advances to Staff	0.76	2.51
Tender deposits/ Security deposits	165.86	129.75
Advances recoverable in cash or kind	488.46	454.37
Pre-paid expenses	116.83	157.17
	<u>4,333.65</u>	<u>4,294.44</u>
<b>Note 17 - Other Current Assets</b>		
Interest accrued on fixed deposits	46.94	121.45
	<u>46.94</u>	<u>121.45</u>

	2016-2017 lakhs	2015-2016 lakhs
<b>Note 18 - Revenue from Operations</b>		
Sale of Products	<b>30,607.08</b>	23,867.54
Sale of Services	<b>373.28</b>	346.82
	<b>30,980.36</b>	24,214.36
Less: Excise Duty	<b>1,122.51</b>	678.84
Net sales	<b>29,857.85</b>	23,535.52
Other operating revenues		
Claims	<b>337.00</b>	188.20
Others	<b>62.91</b>	55.16
	<b>399.91</b>	243.36
Revenue from operations (Net)	<b>30,257.76</b>	23,778.88
<b>Details of products sold</b>		
Pumps and Pumpsets	<b>7,730.85</b>	5,006.85
Rotating Electric Machines	<b>1,116.93</b>	277.83
Generating Sets	<b>2,481.43</b>	822.50
Switchboards	<b>7,625.30</b>	5,837.52
H.T. Circuit Breakers	<b>590.20</b>	811.44
Relays	<b>241.35</b>	304.80
Components, Spares and Others	<b>9,698.51</b>	10,127.76
	<b>29,484.57</b>	23,188.70
<b>Details of Services rendered</b>		
Miscellaneous Services	<b>373.28</b>	346.82
	<b>29,857.85</b>	23,535.52
<b>Note 19 - Other Income</b>		
Interest on Fixed Deposits and Others	<b>150.29</b>	223.67
Income from Investments (Gross)		
Dividend	<b>163.76</b>	125.25
Profit/(Loss) on Sale of Fixed Assets (Net)	<b>(21.94)</b>	(3.66)
Other non-operating income	<b>65.95</b>	40.23
	<b>358.06</b>	385.49

## 73rd Annual Report

	2016-2017 lakhs	2015-2016 lakhs
<b>Note 20 - Cost of Material and Components Consumed</b>		
Inventory at the beginning of the year	1,891.54	2,087.14
Add : Purchases	<u>20,126.41</u>	<u>15,784.59</u>
	<b>22,017.95</b>	<b>17,871.73</b>
Less : Inventory at the end of the year	<u>2,155.71</u>	<u>1,891.54</u>
	<b><u>19,862.24</u></b>	<b><u>15,980.19</u></b>
<b>Details of raw material and components consumed</b>		
Ferrous and Non-ferrous metals	467.87	181.25
Pipes	8.88	35.24
Stampings	192.32	61.00
Copper wires, strips, rods etc.	145.60	368.35
Ball Bearings	5.13	59.47
Components & Others	<u>19,042.44</u>	<u>15,274.88</u>
	<b><u>19,862.24</u></b>	<b><u>15,980.19</u></b>
<b>Details of inventories</b>		
Ferrous and Non-ferrous metals	38.46	17.07
Pipes	3.17	1.84
Stampings	21.09	6.36
Copper wires, strips, rods etc.	37.46	18.40
Ball Bearings	19.05	11.95
Components & Others	<u>2,036.48</u>	<u>1,835.92</u>
	<b><u>2,155.71</u></b>	<b><u>1,891.54</u></b>
<b>Note 21 - Change in Inventories of Finished Goods and Work-in-Progress</b>		
Inventory at the beginning of the year		
Work-in-progress	4,431.89	5,716.19
Finished Goods	<u>199.81</u>	<u>271.65</u>
	<b>4,631.70</b>	<b>5,987.84</b>
Inventory at the end of the year		
Work-in-progress	2,669.16	4,431.89
Finished Goods	<u>339.99</u>	<u>199.81</u>
	<b><u>3,009.15</u></b>	<b><u>4,631.70</u></b>
	<b><u>1,622.55</u></b>	<b><u>1,356.14</u></b>
<b>Details of inventories</b>		
<b>Work-in-progress</b>		
Pumps	864.15	740.99
Rotating Electric Machines	355.80	1,295.14
Hydro-generating sets	572.71	982.65
Switchboards	664.17	776.61
Vacuum Contactors	162.83	605.44
Relays	49.50	31.06
	<u>2,669.16</u>	<u>4,431.89</u>
<b>Finished Goods</b>		
Pumps	71.78	50.33
Rotating Electric Machines	105.92	106.06
Hydro-generating sets	162.02	13.41
Switchboards	-	26.56
Relays	0.27	3.45
	<u>339.99</u>	<u>199.81</u>

	2016-2017 lakhs	2015-2016 lakhs
<b>Note 22 - Employee Benefits Expense</b>		
Salaries and Wages	2,857.62	2,798.58
Contribution to Provident and other funds	282.33	362.64
Staff welfare expense	123.45	112.93
	<u>3,263.40</u>	<u>3,274.15</u>
<b>Note 23 - Other Expenses</b>		
Consumption of Stores and spares	66.54	40.58
Power and Fuel	104.66	104.42
Rent	43.64	40.72
Repairs and Maintenance to		
: Building	36.83	12.27
: Machinery	63.74	57.11
: Others	76.35	69.07
Insurance	57.11	75.26
Rates and Taxes	49.21	42.56
Excise Duty (Including increase/ (decrease) of Excise Duty on inventory)	51.35	13.81
Publicity	21.04	59.86
Commission	-	13.24
Freight and Forwarding Charges	170.91	123.88
Stationery, Postage, Telephones and Telex	48.87	51.44
Bank Charges	192.27	362.35
Audit Fees and Expenses	9.84	9.79
Legal & Professional Fees	433.82	336.50
Travelling	163.44	189.23
Directors' Fees	0.86	1.00
Membership Fees and Subscriptions	6.72	4.93
Bad Debts written off	381.45	-
Provision for doubtful debts /advances and	176.00	386.44
Miscellaneous Expenses	182.41	245.57
Provision for diminution in value of investment	-	-
	<u>2,337.06</u>	<u>2,240.03</u>
Payment to auditors		
1) As auditor :		
Audit fees	5.98	5.95
Tax audit fees	1.38	1.03
Limited Review & Other services	1.17	1.54
Reimbursement of expenses	0.45	0.41
2) Cost audit fees	0.86	0.86
	<u>9.84</u>	<u>9.79</u>
<b>Note 24 - Finance Costs</b>		
Interest	7,357.08	7,501.05
	<u>7,357.08</u>	<u>7,501.05</u>
<b>Note 25 - Research and Development Expenses</b>		
Material Consumption	3.17	2.86
Salaries, Wages, Bonus, Gratuity and Other Benefits	99.23	104.65
Contribution to Provident and other funds	10.02	11.14
Power and Fuel	0.74	0.89
Others	81.11	136.83
	<u>194.27</u>	<u>256.37</u>

## 73rd Annual Report

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31<sup>st</sup> March, 2017.

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

	2016-17 (` lakhs)	2015-16 (` lakhs)
1. Contingent liability to the extent not provided for :		
(a) Bills/Cheques discounted with scheduled banks	211.19	3,085.56
(b) Income Tax(*)	3,362.33	3,025.89
(c) Service Tax / Excise Duty/ VAT	316.81	77.26
(d) Compensation payable on bank sacrifice under CDR Scheme	3,440.83	2,375.48
(e) Claims against the Company/disputed liabilities not acknowledged as debts	274.61	270.46

(\*) With regard to the merits of the reported demand of ` 3025.89 lakhs for the year 2012-13 received from the Income tax authorities, the Company has represented during appeal proceedings, outcome of which is expected shortly. In the meantime, based on identical merits, the Company has received favourable orders from the Income tax authorities for subsequent year upholding the Company's stand in the matter.

#### 2. Basis of Preparation

The Financial Statements of the Joint Venture used in the Consolidation are drawn up to 31<sup>st</sup> December, 2016.

#### 3. Principles of Consolidation :

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

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

#### 4. Companies included in Consolidation :

Name	Nature	Country of of Incorporation	Proportion of Ownership Interest as on 31.03.2017
Jyoti Sohar Switchgear LLC	Joint Venture	Sultanate of Oman	49% shareholding of Jyoti Limited

#### 5. Accounting Policies :

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



## 6. Translation of Accounts :

- In Consolidated Financial Statements, the Financial Statements of Joint Ventures have been translated into INR considering as non-integral operations of the Company as prescribed under AS 11: "The Effects of Changes in Foreign Exchange Rates" specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- In case of foreign Joint Venture, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".
- The difference between the cost of investment in the joint ventures at the time of acquisition of shares is recognized in the financial statements as Capital Reserve as the case may be.

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

Sr. No	Part " A " : Subsidiaries	in Lakhs
— N. A —		
Sr. No	Part " B " : Joint Venture	in Lakhs
	Name of Joint Venture	Jyoti Sohar Switchgear LLC
1	Latest Audited Balance Sheet Date	31 <sup>st</sup> December, 2016
2	Shares of Joint Ventures held by the Company on the year end	
	i. No. of Shares	490,000
	ii. Amount of Investments in Joint Venture	86.73
	iii. Extent of Holding %	49%
3	Description of how there is significant influence	-
4	Reason why the Joint Venture is not consolidated	N.A.
	Networth attributable to Shareholding as per latest audited Balance Sheet	4,400.66
	Profit / Loss for the year	1,662.51
	i. Considered in Consolidation	814.63
	ii. Not Considered in Consolidation	847.88

### Notes :

- Names of Joint Ventures which are yet to commence operations. - NA
- Names of Joint Ventures which have been liquidated or sold during the year - NA

## 8. Earning Per Share

**2016-17**

Profit/(Loss) after Tax available for equity shareholders ( ` lakhs)	(A)	(11,608.62)
No. of Equity Shares / Weighted Average number of equity shares	(B)	171,28,992
Earning per share (Basic and diluted) (in `)	(A/B)	(67.77)
Face value of ` 10 per share		

## 73rd Annual Report

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9. For Consolidation, the Financial Statements of Joint Venture are considered as at 31<sup>st</sup> December, 2016. There are no significant transactions during the period from 1<sup>st</sup> January, 2017 to 31<sup>st</sup> March, 2017.
10. Legal Reserve, as per the accounts of Joint Venture, is made from annual appropriation of 10% of profit for the year, until the accumulated balance of the reserve is equal to one third of the value of the Company's paid-up Share Capital, in accordance with the Commercial Companies Law of Oman 1974, as amended. This Reserve is not available for distribution.
11. The Consolidated Financial Statements have been prepared for the first time in the previous year 2015-16. In absence of figures for the year 2014-15, the previous year's Cash Flow Statement is not consolidated.

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As per our Report attached of even date

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

*Chartered Accountants*

Firm Reg. No. 103047W

**Vijay H. Gandhi**

*Proprietor*

M. No. 35581

Vadodara

13<sup>th</sup> May, 2017

**Jayesh Verma**  
Chief Financial Officer

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

**Rahul N. Amin**

*Chairman & Managing Director*

*Directors*

**Mrs. T. R. Amin**

**Mr. V. K. Gulati**

**Dr. R. M. Khajuria**

**Mr. T. C. Dayal**

**Mr. S. S. Bhattbhatt**

**Mr. M. R. Patel**

Vadodara

13<sup>th</sup> May, 2017

**Consolidated Cash flow statement for the year ended on 31st March, 2017.**

	2016-2017 lakhs	2015-2016 lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax and non-recurring items :	(11,531.81)	(8,378.42)
<b>Adjustments for</b>		
1. Depreciation	1,150.06	1,350.69
2. Finance Cost charged to Statement of Profit & Loss	7,357.08	7,501.05
3. Interest Received	(150.29)	(222.85)
4. Dividend Received	(163.76)	(125.25)
5. (Profit)/Loss on Sale of Fixed Assets (Net)	21.94	3.66
6. Bad Debts written off	381.45	-
7. Provision for doubtful debts / advances and impairment of Capital WIP	6,536.97	386.44
8. Provision for diminution in value of Investments*	-	-
	<u>15,133.45</u>	<u>8,893.74</u>
Operating profit / (loss) before working capital changes	3,601.64	515.32
<b>Movement in Working Capital</b>		
1. Trade and Other Receivables	(4,660.95)	916.02
2. Inventories	1,424.94	1,893.55
3. Trade and Other Payables	4,346.95	19.19
Net change in working capital	1,110.94	2,828.76
Cash Generated from Operations	4,712.58	3,344.08
Direct Taxes Paid (Net)	(149.30)	269.09
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES (A)</b>	<u>4,563.28</u>	<u>3,613.17</u>

## 73rd Annual Report

	2016-2017 lakhs	2015-2016 lakhs
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
1. Purchase of Fixed Assets (including CWIP and capital advances)	(321.88)	(49.55)
2. Proceeds from Sale of Fixed Assets	20.04	2.00
3. Interest Received	150.29	222.85
4. Dividend Received	163.76	125.25
<b>NET CASH UTILISED IN INVESTING ACTIVITIES (B)</b>	<b>12.21</b>	<b>300.55</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
1. Proceeds from borrowings (Net)	(3,259.95)	987.82
2. Interest Paid	(158.79)	(5,364.41)
3. Dividend Paid	(173.23)	-
<b>NET CASH GENERATED IN FINANCIAL ACTIVITIES (C)</b>	<b>(3,591.97)</b>	<b>(4,376.59)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>983.52</b>	<b>(462.87)</b>
Cash and Cash Equivalents as at 01/04/2016	2,283.80	1,745.09
Cash and Cash Equivalents as at 31/03/2017	3,267.32	1,282.22

Notes : i) Previous year figures are regrouped wherever necessary.

ii) Figures in brackets indicate negative figures.

\* Nominal Value

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

13<sup>th</sup> May, 2017

**Jayesh Verma**  
Chief Financial Officer

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

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

Directors

**Mrs. T. R. Amin**      **Mr. T. C. Dayal**  
**Mr. V. K. Gulati**      **Mr. S. S. Bhattbhatt**  
**Dr. R. M. Khajuria**      **Mr. M. R. Patel**

Vadodara  
13<sup>th</sup> May, 2017

**ATTENDANCE SLIP**

CIN : L36990GJ1943PLC000363

NAME OF THE COMPANY: **Jyoti Limited**

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

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

I/We hereby record my/our presence at the 73<sup>rd</sup> Annual General Meeting held at Jyoti Limited, Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara — 390 003 on Thursday, 28<sup>th</sup> September, 2017 at 9.00 a.m.

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

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

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

\* Applicable for Investors holding shares in electronic form.

**Form No. MGT-11**

**PROXY FORM**

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

CIN: L36990GJ1943PLC000363

NAME OF THE COMPANY: **Jyoti Limited**

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

Name of Member (s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

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

1) Name: \_\_\_\_\_  
Address: \_\_\_\_\_

E-mail Id:  
Signature: \_\_\_\_\_, or failing him

2) Name: \_\_\_\_\_  
Address: \_\_\_\_\_

E-mail Id:  
Signature: \_\_\_\_\_, or failing him

3) Name: \_\_\_\_\_  
Address: \_\_\_\_\_

E-mail Id:  
Signature: \_\_\_\_\_,

-----

as my/our proxy to attend and vote for me/us and on my/our behalf at the Seventy Third Annual General Meeting of the Company, to be held on the 28<sup>th</sup> day of September, 2017 at 9.00 a.m. at Registered Office of the Company situated at Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara - 390 003 and at any adjournment thereof in respect of such resolutions as are indicated below :

**Resolution No.:**

1. Adoption of Financial Statements - To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the Financial Year ended on 31<sup>st</sup> March, 2017, including the audited Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. Re-appointment of Smt. Tejal Amin (DIN: 00169860), who retires by rotation and, being eligible has offered herself for re-appointment.
3. Appointment of Statutory Auditors.
4. Approval of Remuneration of Cost Auditors of the Company.
5. Special Resolution under Section 180 (1) (a) of the Companies Act, 2013 for Creation of mortgage / charge for borrowings / Financial Assistance availed.
6. Special Resolution for adoption of new set of Articles of Association.

Sign this \_\_\_\_\_ day of \_\_\_\_\_ 2017

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

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

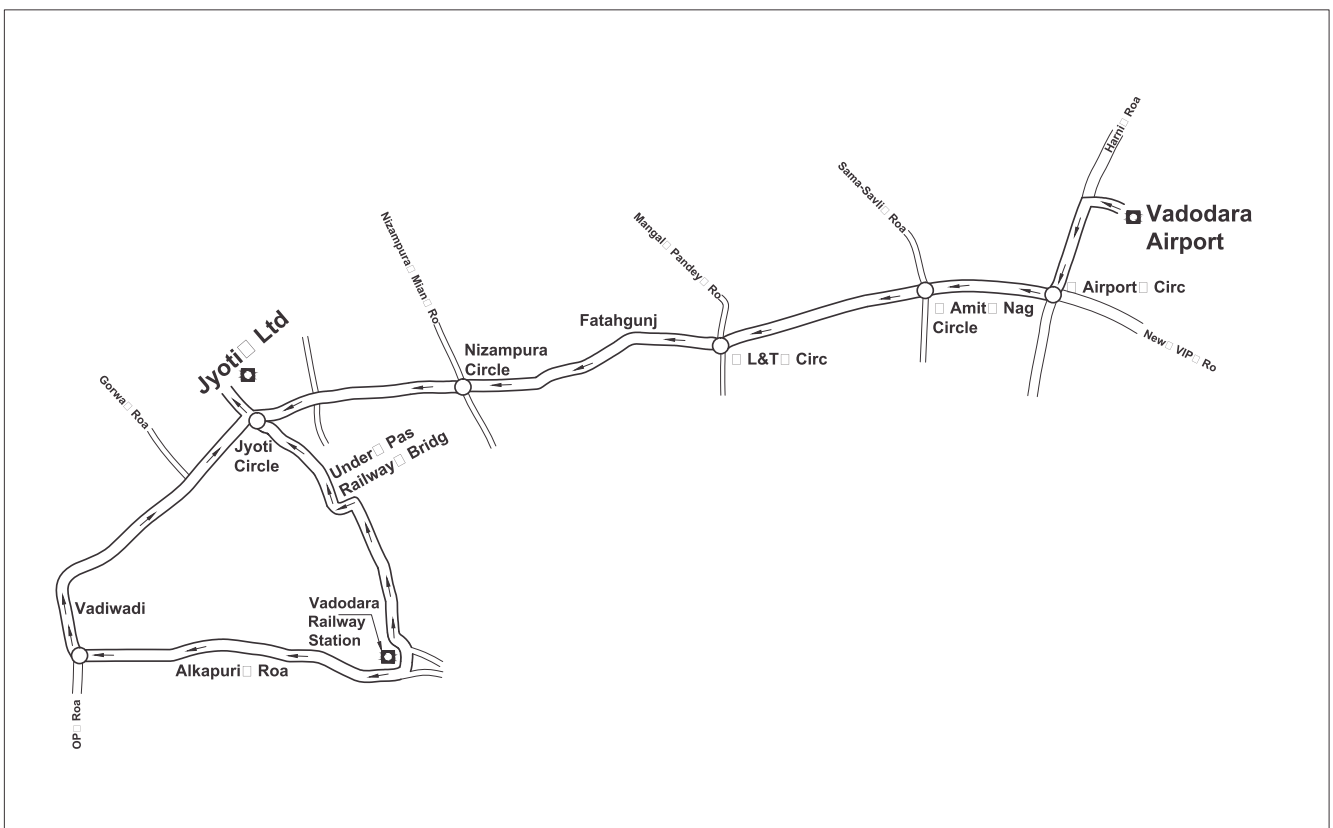


**Notes:**

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 4 hours before the commencement of the Meeting.**
  - . A proxy need not be a member of the Company.



# ROUTE MAP OF VENUE OF AGM



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# 73<sup>rd</sup> ANNUAL REPORT 2016-2017

## 70 Years of Engineering Excellence

*If undelivered, please return to :*



**Jyoti Ltd.**

Water • Power • Progress

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

CIN: L36990GJ1943PLC000363

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

73rd Annual General Meeting on  
Thursday, the 28th September, 2017  
at the Registered Office, Nanubhai Amin Marg,  
Industrial Area, P.O. Chemical Industries,  
Vadodara - 390 003.