



JYOTI STRUCTURES LIMITED



ANNUAL REPORT 2007-08

Financial Highlights

(Rs. in Million)

	2007-08	2006-07	2005-06	2004-05	2003-04
SALES & EARNINGS :					
Gross Sales & Other Income	14,007	10,258	7,402	4,401	3,040
Profit before Taxes	1,203	875	462	181	94
Profit after Taxes	724	550	277	115	55
Equity Dividend	40%	30%	20%	12%	NIL
ASSETS :					
Gross Block (Including Capital W.I.P.)	1,070	938	868	732	670
Net Block	630	563	546	441	417
Total Net Assets	5,742	4,430	2,903	2,132	1,539
REPRESENTED BY :					
Net Worth	3,395	2,734	1,215	942	622
Share Capital	162	161	138	138	118
Reserves & Surplus	3,250	2,597	1,063	806	508
Share Warrants-Up Front Price	-	-	15	-	-
Borrowings	2,249	1,595	1,609	1,119	853
Deferred Tax Liability	81	77	78	69	59
Total Funds	5,742	4,430	2,903	2,132	1,539
OTHER HIGHLIGHTS :					
Foreign Exchange Earnings (Including Deemed Exports & Sales through Export Houses)	3,553	810	989	918	529
Foreign Exchange Outgo	42	53	119	114	2
INSTALLED CAPACITY AND PRODUCTION :					
Installed Capacity (M.T.p.a.)	95,800	76,000	76,000	52,000	52,000
Production (M.T.)	74,330	61,192	57,952	34,888	21,343
EARNING PER SHARE :					
EPS - Basic (In Rs.)	8.95	7.18	4.00	1.86	1.01
EPS - Diluted (In Rs.)	8.85	7.07	3.84	1.86	1.01



JYOTI STRUCTURES LIMITED

BOARD OF DIRECTORS

S D Kshirsagar	<i>Chairman</i>
A J Khan	
G L Valecha	
P A Sethi	
S H Mirchandani	
K R Thakur	<i>Managing Director</i>
Prakash K Thakur	<i>Whole-time Director</i>
Santosh V Nayak	<i>Whole-time Director</i>

COMPANY SECRETARY

L H Khilnani

AUDITORS

R M Ajgaonkar & Associates, Chartered Accountants

BANKERS / FINANCIAL INSTITUTIONS

State Bank of India
Union Bank of India
Bank of India
ICICI Bank Limited
Syndicate Bank
State Bank of Indore
State Bank of Hyderabad
Canara Bank
UCO Bank
Dena Bank
Bank of Maharashtra
Oriental Bank of Commerce
Export-Import Bank Of India
Infrastructure Leasing & Financial Services Limited
Industrial Development Bank of India

REGISTERED OFFICE

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

Maharashtra State, India

Tel : 4091 5000

Fax : 4091 5014/15

Website : www.jsl.co.in

Email : contact@jsl.co.in

LEGAL ADVISORS

Bharucha & Partners

REGISTRAR & SHARE TRANSFER AGENTS

Big Share Services Private Limited,
E/2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East), Mumbai - 400 072

Tel. : 2847 0652 / 2847 0653 / 2847 3747

Fax : 2847 5207

e-mail : bss@bigshareonline.com

33rd ANNUAL GENERAL MEETING

Day	: Friday
Date	: 13 th June, 2008
Time	: 3.00 p.m.
Venue	: M C Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001

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JYOTI STRUCTURES LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Third Annual Report of the Company along with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

During the year your Company achieved an overall turnover growth of 41%. Profit after tax for the same period registered a growth of 31%.

The total export turnover including deemed export was Rs. 3,553.40 million which is 26% of overall turnover as against Rs. 809.93 million in the previous year.

The summarised financial figures are given below:

	(Rs. in Million)	
	2007-08	2006-07
Gross Turnover	13,992	10,250
Profit before tax	1,203	875
Provision for taxation including deferred tax	(479)	(325)
Profit after tax	724	550
Prior period adjustments & Excess/(Short) Provision of Taxes of Earlier Years	(46)	(5)
Balance b/f from previous year	627	218
Profit available for appropriation	1,305	763
Proposed dividend	65	48
Tax on proposed dividend	11	8
Transfer to General Reserve	100	80
Balance carried to Balance Sheet	<u>1,129</u>	<u>627</u>

For the year under review, the Company was able to scale up its operations in the domestic as well as international business segment. Rural electrification projects have contributed significantly to the growth momentum.

The Company has been able to maintain healthy order book position despite having achieved turnover growth.

DIVIDEND

For the year under review, the Directors of your Company have recommended a dividend at the rate of 40% (Re. 0.80 per equity share) on equity share of Rs.2 each (30% for the previous year) on the enhanced Capital of Rs. 162.37 million.

CAPITAL

During the year, the Company allotted 4,86,950 Equity Shares of Rs. 2 each to the employees exercising their right on vesting of options granted under Employees Stock Option Scheme.

SUBSIDIARIES

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 the Company shall provide copies of the Annual Report and other documents of its subsidiary companies as required under Section 212 of the Act to the members on their request, free of cost.

JSL Structures Limited

During the year, gross sales and income from other operations was Rs. 175.20 million as against Rs. 48.33 million for the corresponding previous financial year. Profit after Tax at Rs. 21.10 million has registered a growth of 207%, as against profit of Rs. 6.87 million for the corresponding previous financial year.

JSL Corporate Services Limited

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

Shree Chhatrapati Shahu Power Company Limited

During the year, the name of the company was changed from Shree Chhatrapati Shahu Power Company Limited to Jyoti Energy Limited.

During the year under review, the Company has earned income by way of commission of Rs. 0.03 million as against commission of Rs. 4.82 million for the corresponding previous financial year.

Jyoti Structures Africa (Pty.) Limited

During the year, the Company has formed a Joint Venture Company, Jyoti Structures Africa (Pty.) Limited, to participate in transmission line business opportunities in Southern Africa. The JV company has been awarded an EPC contract for 765 kV transmission line valued at Rands 184 million (equivalent to Rs. 930 million) by Eskom, the electricity utility of Republic of South Africa.

DIRECTORS**Retirement by Rotation:**

In accordance with the requirement of the Companies Act, 1956, Mr. G L Valecha and Mr. Sanjay Mirchandani, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

Appointments:

Mr. Prakash K Thakur and Mr. Santosh V Nayak were appointed as Additional Directors of the Company with effect from 26th July, 2007. By virtue of the provisions of Section 260 of the Companies Act, 1956 read with Articles of Association of the Company, Mr. Prakash K Thakur and Mr. Santosh V Nayak would hold office upto the date of the Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received notices along with the requisite deposit from members signifying their intention to propose Mr. Prakash K Thakur and Mr. Santosh V Nayak as Directors.

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

Members at Extra Ordinary General Meeting held on 20th February, 2008 approved the appointment of Mr. Prakash K Thakur and Mr. Santosh V Nayak, as Whole-time Directors including remuneration payable to them.

Directors recommend the resolutions pertaining to re-appointment and appointment of Directors, for approval of the members.

AUDITORS

M/s R M Ajgaonkar & Associates, statutory auditors of the Company retire and offer themselves for re-appointment as the statutory auditors of the Company pursuant to Section 224 of the Companies Act, 1956.

DEPOSITS

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

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the report and accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to Company Secretary for a copy thereof.

A Statement pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 forms part of this report, as Annexure.

JYOTI STRUCTURES LIMITED

CORPORATE GOVERNANCE

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

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

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

CODE OF CONDUCT

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the Company. This helps in dealing with ethical issues and also in fostering a culture of accountability and integrity.

EMPLOYEES STOCK OPTION SCHEME

Pursuant to the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended, the details of Stock Options as on 31st March, 2008 under the Jyoti Structures Limited Employees Stock Option Scheme form part of this report, as Annexure.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv the Directors have prepared the annual accounts on a going concern basis.

INDUSTRIAL RELATIONS

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

The enthusiasm and unstinting efforts of the employees enabled the Company to remain competitive in the industry despite increased competition from several existing and new players.

ACKNOWLEDGEMENTS

Your Directors place on record its sincere appreciation towards Company's valued customers in India and abroad for the support and the confidence reposed by them in the Company and looks forward to the continuance of this mutually supportive relationship in future.

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

For and on behalf of the Board

S D KSHIRSAGAR
Chairman

Mumbai; 2nd May, 2008

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Directors are committed to practice sound governance principles and believe that good governance is an ongoing process. We at Jyoti Structures are guided by core principles of governance like transparency, accountability, disclosures and compliances to enhance the value for stakeholders viz. customers, shareholders, employees, lenders, vendors including the society of which the Company is a part.

BOARD OF DIRECTORS

The composition of Board of Directors is in compliance with the provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 1956. The Board has an optimum combination of Executive and Non-Executive Directors. Mr. S D Kshirsagar is a Non-Executive Chairman. One-third of the Directors are independent and non-executive directors.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions occupied by them.

During the year eight Board Meetings were held on 7th May, 2007, 16th May, 2007, 28th June, 2007, 26th July, 2007, 26th October, 2007, 18th January, 2008, 25th January, 2008 and 20th February, 2008 and the maximum interval between any two meetings was well within the maximum gap of four months.

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Name	Category	Attendance particulars		Number of Other Directorship and Committee Membership/ Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
S D Kshirsagar (Chairman)	Non-executive & Independent	8	Yes	1	-	-
A J Khan	Non-executive & Independent	7	Yes	-	-	-
G L Valecha	Non-executive & Non-independent	8	Yes	-	-	-
P A Sethi	Non-executive & independent	7	Yes	2	2	-
S H Mirchandani	Non-executive & Non-independent	4	Yes	2	-	-
K R Thakur (Managing Director)	Executive & Non-independent	8	Yes	2	-	-
Prakash K Thakur* (Whole-time Director)	Executive & Non-independent	4	N.A.	2	-	-
Santosh V Nayak* (Whole-time Director)	Executive & Non-independent	4	N.A.	4	-	-

* Appointed w.e.f. 26th July, 2007.

COMMITTEES OF THE BOARD

The Board has constituted committees of Directors to take informed decisions in the best interest of the Company. These committees monitor the activities falling within their terms of reference. The composition of committees and attendance at the meetings is as follows:

Audit Committee

The Company had constituted an Audit Committee in the year 2000. The scope of the activities of the Audit Committee is in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of Audit Committee include various matters in conformity with the statutory guidelines including the following:

To ensure proper accounting policies, going concern assumption, compliance with accounting standards, significant adjustments, compliance with Stock Exchanges and other legal requirements and to look into the reasons for

JYOTI STRUCTURES LIMITED

substantial defaults, if any, in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and review various matters related to statutory audit, internal audit, internal control, investigation and risk management policies, financial reporting process and disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.

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

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

Name of the Director	Status	No. of Meeting Attended
Mr. S D Kshirsagar, Chairman	Independent Non-Executive	5
Mr. S H Mirchandani, Member	Non-Independent Non-Executive	2
Mr. P A Sethi, Member	Independent Non-Executive	4

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

Remuneration Committee

The Remuneration Committee comprises three non-executive independent Directors - Mr. S D Kshirsagar, Chairman, Mr. P A Sethi and Mr. A J Khan. The Committee is vested with powers and authority to ensure appropriate disclosure on the remuneration of the Executive Directors and to deal with all the elements of remuneration of such Directors within the limits approved by the members of the Company.

The Committee met once during the year on 26th July, 2007 and all the Committee members were present at the meeting.

Details of Remuneration for 2007-08

(Rs. in Million)

Name of Director	Sitting fees for Board & Audit Committee Meetings	Salaries and Perquisites	Allowance in lieu of Commission
Managing Director / Whole Time Director			
K R Thakur	N.A.	8.28	27.79
P K Thakur	N.A.	5.62	2.62
S V Nayak	N.A.	4.60	3.64
Non-Executive Director			
S H Mirchandani	0.03	Nil	Nil
S D Kshirsagar	0.07	Nil	Nil
A J Khan	0.04	Nil	Nil
G L Valecha	0.04	Nil	Nil
P A Sethi	0.05	Nil	Nil

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

Compensation Committee

The Committee consists of three Non-executive independent Directors - Mr. S D Kshirsagar, Chairman, Mr. P A Sethi and Mr. A J Khan. The Committee administers the Employee Stock Option Scheme. During the year, the Committee allotted 4,86,950 Equity Shares of Rs. 2 each under Employees Stock Option Scheme by Circulatory Resolutions.

Details of Directors seeking re-appointment in the 33rd Annual General Meeting

Name of the Director	G L Valecha	S H Mirchandani	P K Thakur	S V Nayak
Date of Birth	8 th May, 1932	7 th March, 1965	28 th February, 1969	15 th December, 1959
Date of Appointment as Director	26 th April, 2003	29 th May, 1991	26 th July, 2007	26 th July, 2007
Qualification	B.A.	B E (Mech.), MBA (Finance)	B E (Civil), MBA (Finance)	M.Com, MBA (Finance)
Relation	-	-	Mr. Prakash K Thakur is the son of Mr. K R Thakur	-
Experience and Expertise in Specific functional area	Mr. G L Valecha has experience in construction industry and with acumen in Finance.	Mr. S H Mirchandani has varied business experience of running a trading firm in Dubai, a real estate company in Bhopal, Indore, Pune & Mumbai.	Mr. P K Thakur has 15 years of experience with a perfect professional blend needed for power transmission industry.	Mr. S V Nayak has 20 years experience with a perfect blend of financial acumen and General Management in power transmission industry.

Other Directorship - Name of the Company	Position	Committee	Membership Status
Mr. G L Valecha	-	-	-
Mr. S H Mirchandani			
1. Shalimar Housing & Finance Limited	Director	-	-
2. Seagull Solutions Limited	Director	-	-
Mr. P K Thakur			
1. Gulf Jyoti International LLC	Director	-	-
2. Jyoti Structures Africa (Pty.) Ltd.	Director		
Mr. S V Nayak			
1. JSL Structures Limited	Director	-	-
2. JSL Corporate Services Limited	Director	-	-
3. Gulf Jyoti International LLC	Director	-	-
4. Jyoti Structures Africa (Pty.) Ltd.	Director	-	-

Finance, Share Transfer and Investors Grievance Committee

The Committee consists of three independent Non-executive Directors - Mr. S D Kshirsagar, Chairman, Mr. P A Sethi and Mr. A J Khan, which meets at regular intervals. The Committee approves share transfers and transmission, issue of duplicate certificates and reviews investors' grievances and all other matters connected with securities. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investors' service. The Committee is also authorized to take decisions in day to day financial and banking matters. As on 31st March, 2008, no instruments of share transfer were pending.

Details of investors' grievances and their redressal during the year ended 31st March, 2008 are as under:

Received	Cleared	Pending
Direct	14	-
Through SEBI	-	-
Through Stock Exchange(s)	-	-

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

JYOTI STRUCTURES LIMITED

SUBSIDIARY COMPANIES

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

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

GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held at M C Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubhas Marg, Mumbai- 400 001, as per details below:

Date	Time	Details of Special Resolution	Relevant Section
3 rd August, 2005	3.30 P.M.	i) Appointment of Auditor	224
		ii) Appointment of Branch Auditor	228
		iii) Employees Stock option Scheme	81(1A)
		iv) Further issue of Capital – Allotment of Warrants	81(1A)
30 th June, 2006	3.30 P.M.	i) Sub-division of Equity Capital	91(1)(d)
28 th June, 2007	11.30 A.M.	i) Re-appointment of Managing Director	198, 269, 309, 310, 311 read with Schedule XIII
		ii) Appointment of Branch Auditors	228

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

DISCLOSURES

1. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions other than those disclosed in the financial statement for the year ended 31st March, 2008.

There are no transactions of material nature other than reported under “Related Party Disclosures” that have been entered into by the Company with the promoters, directors, their relatives and the management and in any company in which they are interested and that may have potential conflict with the interest of the Company.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

2. INSTANCES OF NON-COMPLIANCE

There were no instances of non-compliances during the last three years by the Company on any matter related to capital market. Consequently, there were neither penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authorities.

3. The Directors’ Report includes details of Management Discussion and Analysis including Risk & Concerns.

SECRETARIAL AUDIT

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

MEANS OF COMMUNICATION

Quarterly/Half Yearly/Yearly Financial Results of the Company are forwarded to The Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the Company's shares are listed. The results are published in Economic Times and Maharashtra Times.

All vital information relating to the management, business operations, shareholding pattern and finances of the Company are made available at the website of the Company www.jsl.co.in

The Company has also posted information relating to its financial results and shareholding pattern on Electronic Data Information Filing and Retrieval Systems (EDIFAR) at www.sebiedifar.nic.in

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

SHAREHOLDERS' INFORMATION**A. Annual General Meeting**

- Day, Date and Time : Friday, 13th June, 2008 at 3.00 p.m
 Venue : M C Ghia Hall, Bhogilal Hargovindas Building,
 18/20, Kaikhushru Dubash Marg, Mumbai-400 001.

B. Financial Calendar

- : April to March (financial year)
 First Quarter Results - 4th week of July
 Second Quarter Results - 4th week of October
 Third Quarter Results - 4th week of January
 Annual Audited Results - 1st week of May

C. Book Closure

- : Tuesday, 3rd June, 2008 to Friday, 13th June, 2008
 (both days inclusive)

D. Dividend Payment Date

- : On or after 18th June, 2008

E. Listing at Stock Exchanges

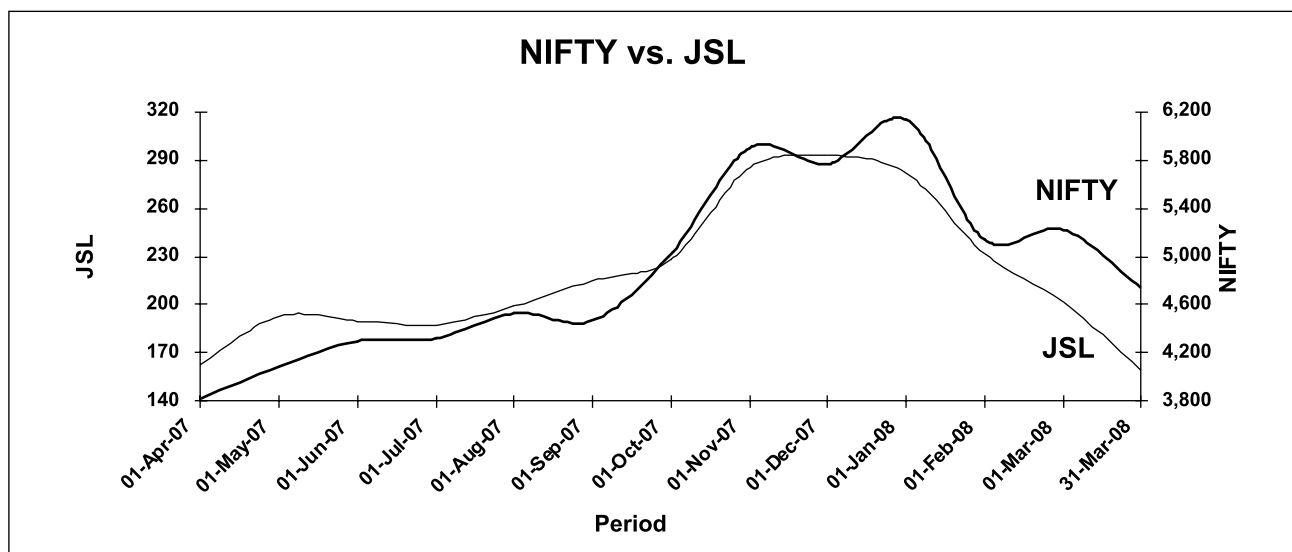
NAME OF STOCK EXCHANGE	STOCK CODE NO.	CODE ON SCREEN
The Bombay Stock Exchange Limited	513250	JYOTIST
The National Stock Exchange of India Ltd. (NSE)	-	JYOTISTRUC

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2008-09.

F. Market Price Data

MONTH	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April-07	210.00	160.00	210.00	160.00
May-07	205.70	181.50	205.00	181.50
June-07	196.00	164.00	196.00	172.10
July-07	223.00	186.45	222.80	187.15
Aug-07	212.80	181.30	215.10	180.00
Sep-07	242.05	204.75	243.80	209.00
Oct-07	288.00	220.00	287.00	221.25
Nov-07	310.00	260.50	315.00	264.95
Dec-07	316.00	267.00	319.00	265.10
Jan-08	328.00	189.65	327.35	188.40
Feb-08	261.50	162.00	261.70	171.00
Mar-08	212.00	143.35	215.00	143.80

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Graph plots Jyoti Structures share prices with the NSE NIFTY for the financial year ended 31st March, 2008

G. Registrar and Share Transfer Agents

Shareholders should address their correspondence to the Registrar and Share Transfer Agents of the Company at the following address:

Big Share Services Pvt. Ltd.
(Unit- Jyoti Structures Ltd.)
E/2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai-400 072.
e-mail : bss@bigshareonline.com
Tel No.: 28470652/53, 28473747, 28470679
Fax. No.: 28475207

H. Share Transfer System

The Company's shares, being in compulsory dematerialized (Demat) list, are transferable through the depository system. The shares in physical mode are processed by the Registrar and Share Transfer Agent: Big Share Services Pvt. Ltd. and approved by the Share Transfer & Finance Committee of the Board, which meets at regular intervals.

I. Distribution of shareholding and shareholding pattern as of 31st March, 2008

Distribution of Shareholding

Range	No. of shareholders	% of shareholdings	Shares held in each class (in Rupees)	% of shares
1 - 5000	15,386	95.12	86,55,982	5.33
5001 - 10000	374	2.31	28,25,094	1.74
10001 - 20000	160	0.99	23,32,602	1.44
20001 - 30000	57	0.35	14,71,944	0.91
30001 - 40000	29	0.18	10,15,478	0.63
40001 - 50000	20	0.12	9,62,458	0.59
50001 - 100000	33	0.21	22,77,690	1.40
100001 and above	117	0.72	1,42,824,432	87.96
Total	16,176	100.00	1,62,365,680	100.00

Shareholding Pattern

Category of shareholders	No. of shares	% of shares
Promoters - Individuals	15,562,400	19.17
- Bodies Corporate	6,306,120	7.77
Other Bodies Corporate	8,909,401	10.98
NRIs/FIIs	24,683,109	30.40
Financial Institutions/Banks/Mutual Fund	15,626,791	19.25
Indian Public	10,095,019	12.43
Total	81,182,840	100.00

J. Dematerialization of Shares

As of 31st March, 2008, 80,218,943 equity shares representing 98.81% of the paid up equity capital of the company have been dematerialized with the following depositories:

Description	ISIN NO.	Depositories
Fully paid	INE197A01024	1. National Securities Depository Ltd. (NSDL)
		2. Central Depository Services(India) Ltd. (CDSL)

K. Outstanding GDRs/ADRs/Warrants or any convertible instruments:

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments.

L. Plant Locations

Nasik Factory: 52A/53A, D. Road, Satpur Industrial Complex, Nasik - 422 007 (Maharashtra) Tel : (91-253) 2201700 Fax : (91-253) 2351134	Tower Testing Station: Ghoti, Igatpuri, Dist - Nasik - 422 002 (Maharashtra) Tel : (91-2553) 282211 Fax : (91-2553) 282212	Raipur Factory: 1037/1056, Sarora Ring Road, Urla Industrial Complex, Raipur - 493 221 (Chhattisgarh) Tel : (91-771) 2324567/ 2325569 Fax: (91-771) 2324767/2325567
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M. Address for Correspondence

Company Secretary
Jyoti Structures Limited
6th Floor, Valecha Chambers,
New Link Road, Andheri (West),
Mumbai-400 053
Tel No.: 4091 5000
Fax No.: 4091 5014/15
E-mail: contact@jssl.co.in

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Electricity is a vital input for economic and social development of our society. Adequate and quality power is essential to fuel this growth and continue GDP growth rate over 8% in the coming years.

The Central Government's goal under 'Rajiv Gandhi Grameen Vidhyutikaran Yojana' is to electrify all un-electrified villages and to provide access to electricity to all households in next five years.

The Government's Mission is to increase the per capita consumption to 1000 units and provide quality and reliable power to all by 2012.¹

Development of the transmission network has been done in tandem with growth in generation capacity. While planning new generation capacities, requirement of associated transmission capacity would need to be worked out simultaneously in order to avoid mismatch between generation capacity and transmission facilities. The growth in transmission system is characterized by the physical growth in transmission network as well as introduction of higher transmission voltages and new technologies for bulk power transmission.

Based on estimated generation capacity addition including Ultra Mega Power Projects in XI Plan, investment programme in transmission system has been envisaged at about Rs. 75,000 crore in Central Sector and Rs. 65,000 crore in the State Sector.²

2. OPPORTUNITIES

In transmission system development in the country, focus of XI Plan programme is formation of the National Power Grid. The Government has identified and worked out projects, schemes and transmission elements that should be implemented matching with programme of generation capacity addition and load growth on yearly basis upto 2011-12. Most of the XI Plan schemes have already been identified, discussed formulated and process of investment approval initiated.

Considering the schemes to be implemented in the XI Plan for transmission system, there will be ample opportunities for the transmission line companies and equipment suppliers.

3. THREATS, RISKS AND CONCERNS

The volatility in the commodity prices in the recent past has been cause of concern not only for your Company but for the Government as well due to its effect on the inflation.

Fluctuation in key inputs like steel, zinc, aluminium and cement cannot be anticipated at the tendering stage. To control such fluctuations, the Company has systems in place to monitor input costs and optimize the procurement costs by using available hedging mechanisms, to the extent possible

4. SEGMENT-WISE PERFORMANCE AND OUTCOME

The Company is in the business of execution of projects relating to power transmission comprising transmission line and sub-stations and hence operates in a single business segment.

5. OUTLOOK

Government decision to construct matching transmission lines with generation capacity has opened good opportunities for the transmission line companies.

To meet the growing demand and to achieve the economies of scale the Company has taken steps to increase the production capacity.

With strong order book position the Company is likely to continue to maintain the growth momentum.

¹ Source <http://powermin.nic.in>

² Source http://cea.nic.in/power_systems/National_Electricity_Plan/index_National_Electricity_Plan.htm

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate and appropriate system of internal control, commensurate with its size and nature of business to ensure efficacy of operations and compliance with applicable legislations.

To ensure that all internal control systems are in place and complied with, exhaustive internal audits are conducted at regular intervals by a firm of experienced chartered accountants in close co-ordination with Company's own internal audit department. Besides this, the Company has Audit Committee of the Board which periodically evaluates the internal audit reports, reviews and monitors the internal control systems.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Thrust on human resource development continued during the year and the industrial relations at plants and at various project locations remained harmonious and cordial. Over the years, the Company has strengthened its team-driven approach and timely implementation of the projects with focus on customer satisfaction.

During the year, to strengthen the project execution team, conducted in house training programme for graduate & diploma trainee engineers.

8. CAUTIONARY STATEMENT

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statements. Important factors that could influence the company's operations include cost of steel, aluminum and zinc, changes in government regulations, tax laws, economic developments within the country and such other factors.

For and on behalf of the Board

S D KSHIRSAGAR
Chairman

Mumbai; 2nd May, 2008

JYOTI STRUCTURES LIMITED

Certificate of Compliance from Auditors as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges in India.

CERTIFICATE

TO THE MEMBERS OF JYOTI STRUCTURES LIMITED

We have examined the compliance of conditions of Corporate Governance by Jyoti Structures Limited, for the year ended 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s) in India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

R M AJGAONKAR
Partner

Place : Mumbai
Date : 2nd May, 2008

Membership No. 31927

AUDITORS' REPORT**TO THE MEMBERS OF JYOTI STRUCTURES LIMITED**

1. We have audited the attached Balance Sheet of JYOTI STRUCTURES LIMITED as at 31st March, 2008 and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that;
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. Proper returns, documents and data adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditors namely, Taddesse Woldegabreil & Co, Addis Ababa, Ethiopia for the Ethiopia Branch and Karim Rejeb, Chartered

Accountant for the Tunisia Branch, have forwarded their respective audit reports and those have been appropriately dealt with;

- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account (and with the audited returns from the branches);
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors of the Company, as at 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date and
 - (c) In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

Mumbai
2nd May, 2008

R M AJGAONKAR
Partner
Membership No. 31927

ANNEXURE TO AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 3 of the Auditors Report to the members of Jyoti Structures Ltd. ("the Company") on the financial statements for the year ended 31st March, 2008, we report that:

- 1) a) The Company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management in a phased periodic manner during the year, which in our opinion is reasonable having regards to the size of the Company and nature of its business. No material discrepancies have been noticed on such verification.
- c) The Company has not disposed off substantial part of fixed assets during the year.
- 2) a) The inventories except stocks lying with third parties have been physically verified by the management at reasonable intervals during the year. Written confirmations have been obtained for stocks lying with third parties at the end of the year.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the size and operations of the Company.
- 3) a) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of paragraph 4(iii)(a), 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the order are not applicable to the company.
- b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the

Companies Act. Therefore, the provisions of paragraph 4(iii)(e), 4(iii)(f) and 4(iii)(g) of the order are not applicable to the company.

- 4) In our opinion and according to information and explanations given to us, the Company has adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- 5) In our opinion and according to information and explanations given to us, there are no contracts or arrangements, particulars of which needed to be entered in the Register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of paragraph 4 (v) of the order are not applicable to the company. .
- 6) As per the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the relevant provisions of Clause (vi) of paragraph 4 of the order are not applicable to the company.
- 7) In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
- 8) On the basis of information and explanations given to us, the Central Government has not prescribed maintenance of cost accounting records under section 209 (1)(d) of the Companies Act, 1956 for the products manufactured by the Company.
- 9) a) The Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities except *Advance Income Tax for the current year*. As per the information and explanations given to us, there are no undisputed arrears of statutory dues as at 31st March 2008, which are outstanding for more than six months from the date they became payable.
- b) As explained to us and according to the records of the company, the dues outstanding of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess on account of any

dispute are as follows:

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Rs. in Million
The Sales Tax Act	Tax and Interest	1996-97	High Court	2.98
	Tax and Interest	1997-98	High Court	0.57
	Tax and Interest	1998-99	High Court	0.13
	Tax and Interest	2000-01	High Court	0.63
	Tax and Interest	2005-06	Asst. Commissioner of Sales tax	0.43
The Central Excise Act, 1944	Duty and Penalty	2000-02	Apeal with CESTAT	17.17
	Duty and Penalty	2000-02	Apeal with CESTAT	8.61
Finance Act - 1994	Service Tax Penalty	2005-06	Asst. Commissioner (Service Tax) Central Excise -Appeal	0.03
The Income Tax Act -1961	Tax and Interest	2000-01	Commissioner of Income Tax (Appeals)	1.85

- 10) The Company does not have any accumulated losses as at 31st March, 2008 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and the books and record examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- 12) According to the information and explanations given to us and based on records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the Company is not a Chit Fund/ Nidhi /Mutual Benefit Fund /Societies. Therefore the provisions of paragraph 4(xiii) of the order are not applicable to the Company.
- 14) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of paragraph 4(xix) of the order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) According to the information and explanations given to us and on the basis of examination of the relevant records, prima facie, it appears that the term loans were applied for the purposes for which they were obtained.
- 17) According to the information and explanations given to us and an overall examination of the Balance Sheet and Cash Flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- 18) During the year, the Company has not made preferential allotment of shares to companies / firms / parties covered in register maintained under section 301 of the Companies Act. Therefore, the provisions of paragraph 4(xviii) of the order are not applicable to the Company.
- 19) The Company did not have any outstanding debentures during the year. Therefore, the provisions of paragraph 4(xix) of the order are not applicable to the Company.
- 20) The Company has not raised any money by way of public issue during the year. Therefore, the provisions of paragraph 4(xx) of the order are not applicable to the Company.
- 21) According to information and explanations given by the management, we report that , no fraud on or by the Company has been noticed or reported during the course of our audit.

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

R M AJGAONKAR
Partner

Mumbai
2nd May, 2008

Membership No. 31927

JYOTI STRUCTURES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2008

	Schedule	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SOURCES OF FUNDS			
1 Shareholders' Funds			
a) Share Capital	A	162.37	161.39
b) Reserves & Surplus	B	3,249.80	2,596.74
		<u>3,412.17</u>	<u>2,758.13</u>
2 Loan Funds			
a) Secured Loans	C	1,826.79	1,514.79
b) Unsecured Loans	D	422.14	80.17
		<u>2,248.93</u>	<u>1,594.96</u>
3 Deferred Tax Liability (Net)		80.72	76.80
		<u>5,741.82</u>	<u>4,429.89</u>
APPLICATION OF FUNDS			
1 Fixed Assets	E		
Gross Block		1,056.44	936.20
Less : Depreciation		440.00	374.73
Net Block		<u>616.44</u>	<u>561.47</u>
Add : Capital Work-in-Progress		13.52	1.92
		<u>629.96</u>	<u>563.39</u>
2 Investments	F	159.74	185.10
3 Current Assets, Loans & Advances			
a) Inventories	G	785.44	763.45
b) Sundry Debtors	H	4,988.15	3,634.96
c) Other Current Assets	I	1,183.89	905.19
d) Cash & Bank Balances	J	137.37	92.35
e) Loans & Advances	K	1,147.49	1,064.78
		<u>8,242.34</u>	<u>6,460.73</u>
Less :			
Current Liabilities & Provisions			
a) Current Liabilities	L	2,876.80	2,607.06
b) Provisions	M	430.57	196.12
		<u>3,307.37</u>	<u>2,803.18</u>
Net Current Assets		<u>4,934.97</u>	<u>3,657.55</u>
4 Miscellaneous Expenditure	N	17.15	23.85
(to the extent not written off or adjusted)			
		<u>5,741.82</u>	<u>4,429.89</u>
Significant Accounting Policies	O		
Notes forming part of the accounts	P		

As per our report attached

For and on behalf of the Board

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

R M AJGAONKAR
Partner
Membership No. 31927
Mumbai, 2nd May, 2008

L H KHILNANI
Company Secretary

K R THAKUR
Managing Director

S D KSHIRSAGAR
Chairman

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	Year Ended 31-03-2008 Rs. in Million	Year Ended 31-03-2007 Rs. in Million
INCOME			
1 Gross Sales / Income from Operations	1	13,991.56	10,249.80
Less Excise Duty		287.57	541.45
Net Sales / Income from Operations		13,703.99	9,708.35
2 Other Income	2	15.21	8.21
		<u>13,719.20</u>	<u>9,716.56</u>
EXPENDITURE			
1 Cost of Materials	3	8,984.34	5,440.58
2 Erection and Sub-contracting Expenses	4	1,705.43	1,440.70
3 (Increase) / Decrease in stock of Finished / Semi-Finished Goods	5	(46.98)	441.37
4 Personnel Expenses	6	347.15	266.50
5 Operating and Other Expenses	7	995.33	865.31
6 Interest	8	464.32	328.87
7 Depreciation		67.02	58.49
Less : Deferred Govt. / WMDC Grant		-	0.33
		<u>67.02</u>	<u>58.16</u>
		<u>12,516.61</u>	<u>8,841.49</u>
8 Profit / (Loss) before taxes		1,202.59	875.07
9 Provision for i) Current Tax		434.10	322.00
ii) Fringe Benefit Tax		40.43	3.75
iii) Deferred Tax (Net)		3.92	(0.85)
10 Net Profit after Tax		<u>724.14</u>	<u>550.17</u>
11 Prior Year Adjustment (Net)		-	0.01
12 Excess / (Short) Provision of Taxes for earlier years		(45.50)	(4.84)
13 Profit after Tax & Prior Year Adjustments		<u>678.64</u>	<u>545.34</u>
14 Balance b / f from previous year		<u>626.61</u>	<u>217.92</u>
15 Profit available for Appropriations		<u>1,305.25</u>	<u>763.26</u>
APPROPRIATIONS			
a Proposed Dividend - Equity Share		64.95	48.42
b Corporate Dividend Tax		11.04	8.23
c Transfer to General Reserve		100.00	80.00
d Balance carried to Balance Sheet		1,129.26	626.61
		<u>1,305.25</u>	<u>763.26</u>
Earning Per Share (in Rs.) (Nominal Value of Rs. 2/- each):			
- Basic		8.95	7.18
- Diluted		8.85	7.07
Significant Accounting Policies	O		
Notes forming part of the accounts	P		

As per our report attached

For and on behalf of the Board

For **R M AJGAONKAR & ASSOCIATES**

Chartered Accountants

R M AJGAONKAR

Partner

Membership No. 31927

Mumbai, 2nd May, 2008**L H KHILNANI**

Company Secretary

K R THAKUR

Managing Director

S D KSHIRSAGAR

Chairman

JYOTI STRUCTURES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

		As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - A			
SHARE CAPITAL			
Authorised :			
150,000,000	Equity Shares of Rs. 2/- each (P.Y. 150,000,000 Equity Shares of Rs. 2/- each)	300.00	300.00
5,000,000	Redeemable Preference Shares of Rs. 100/- each (P.Y. 5,000,000 Preference Shares of Rs. 100/- each)	500.00	500.00
		<u>800.00</u>	<u>800.00</u>
Issued :			
81,198,100	Equity Shares of Rs. 2/- each (P.Y. 80,711,150 Equity Shares of Rs. 2/- each)	162.40	161.42
Subscribed & Paid-up :			
81,182,840	Equity Shares of Rs. 2/- each fully paid-up (P.Y. 80,695,890 Equity Shares of Rs. 2/- each)	162.37	161.39
		<u>162.37</u>	<u>161.39</u>

Notes :

Of the above shares :

- 13,505 Equity Shares of Rs. 100/- each was the paid-up capital of the Company as on 31.3.1986.
- 6,753 Equity Shares of Rs. 100/- each were allotted as fully paid up Bonus Shares by way of capitalisation of General Reserve in the year 1986-87.
- 25,387 Equity Shares of Rs. 100/- each were allotted as fully paid up for cash at par on Rights basis in the year 1986-87.
- 24,688 Equity Shares of Rs. 100/- each were allotted as fully paid up for cash at par on Rights basis in the year 1988-89.
- 920,000 Equity Shares of Rs. 10/- each were allotted as fully paid up for cash at a Premium of Rs. 5/- per share to Public (including 40,000 Equity Shares allotted to the employees of the company) in the year 1989-90.
- 1,651,330 Equity Shares of Rs. 10/- each were allotted as fully paid up for cash at a Premium of Rs. 25/- per share on Rights basis (including 28,000 Equity Shares allotted to the employees of the company) in the year 1992-93.
- 1,637,330 Equity Shares of Rs. 10/- each were allotted as fully paid-up Bonus Shares by way of capitalisation out of Share Premium in the year 1994-95.
- 4,908,938 Equity Shares of Rs. 10/- each were allotted as fully paid-up for cash at a Premium of Rs. 25/- per share on Rights basis, (including 2,51,345 Equity Shares allotted to the employees of the company) in the year 2000-01.
- 2,000,000 Equity Shares of Rs. 10/- each were allotted as fully paid-up for cash at a Premium of Rs. 37/- per share on Private Placement in the year 2003-04.
- 2,000,000 Equity Shares of Rs. 10/- each were allotted as fully paid-up for cash at a Premium of Rs. 101/- per share on Private Placement in the year 2004-05.
- 1,550,000 Equity Shares of Rs. 10/- each were allotted as fully paid-up for cash at a Premium of Rs. 562/- per share on Private Placement in the year 2006-07.
- On 4th August, 2006 the Company sub divided one Equity share of the face value Rs. 10/- to five equity shares of Rs. 2/- each.
- 3,500,000 Equity Shares of Rs. 2/- each were allotted as fully paid-up for cash at a Premium of Rs. 38.50 per share to Promoters in the year 2006-07.
- 341,250 Equity Shares of Rs. 2/- each were allotted as fully paid-up for cash at a Premium of Rs. 15/- per share to the eligible employees under the Employees Stock Option Scheme in the year 2006-07.
- 486,950 Equity Shares of Rs. 2/- each were allotted as fully paid-up for cash at a Premium of Rs. 15/- per share to the eligible employees under the Employees Stock Option Scheme in the year 2007-08.

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - B		
RESERVES AND SURPLUS		
a) Capital Reserve	0.61	0.61
b) WMDC Special Capital Grant	-	0.33
Less : Deferred WMDC Capital Grant	-	0.33
	-	-
c) Capital Redemption Reserve	30.00	30.00
d) Security Premium	1,453.57	428.25
Add : Addition During the Year	35.77	1,025.32
	1,489.34	1,453.57
e) Employee Stock Option Outstanding	101.12	87.83
Less : Deferred Employee Compensation Expense	50.39	51.74
	50.73	36.09
f) General Reserve	449.86	369.86
Add : Transferred from Profit & Loss		
Appropriation Account	100.00	80.00
	549.86	449.86
g) Balance as per Profit and Loss Account	1,129.26	626.61
	3,249.80	2,596.74

JYOTI STRUCTURES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - C		
SECURED LOANS		
a) Banks (for Working Capital) Secured by a first charge on all present and future current assets, moneys receivable and claims except assets for which exclusive charge have been created and secured by a charge which is second & subservient to the charge created in favour of IDBI, by way of deposit of title deeds in respect of the Company's immovable property in M.I.D.C., Satpur Industrial Area, Nasik (Maharashtra), Raipur (Chhattisgarh) & Ghoti Nasik Dist. (Maharashtra).	1,780.07	1,393.95
b) IDBI - Term Loan Secured by pari passu mortgage and charge on all fixed assets except office premises and equipments situated at Andheri (W), Mumbai, and second charge on all current assets both present and future.	-	16.00
c) IL&FS Term Loan Secured by mortgage and charge on fixed assets situated at H-37, Nasik Industrial Area, Satpur, Nasik and office premises and equipments situated at Andheri (W), Mumbai.	10.71	46.43
d) EXIM Bank - (GJI) - Loan Secured by pari passu mortgage & charge on all fixed assets and second charge on all current assets both present & future.	29.41	40.99
e) Asset Finance - From Banks Secured by hypothecation of respective assets	2.17	11.46
f) Asset Finance - From Financers Secured by hypothecation of respective assets	4.43	5.96
	1,826.79	1,514.79
[Amount payable within One Year Rs. 1,807.04 Million (P.Y. Rs. 1,470.08 Million)]		

SCHEDULES FORMING PART OF THE BALANCE SHEET

As at	As at
31-03-2008	31-03-2007
Rs. in Million	Rs. in Million

SCHEDULE - D**UNSECURED LOANS**

a) Sales Tax - Deferral - WMDC / SICOM	46.63	46.99
b) Sales Tax - Deferral - Madhya Pradesh	19.40	33.18
c) Corporate Short Term Loans From Banks	356.11	-
	422.14	80.17

[Amount payable within one year Rs. 370.23 Million (P.Y. Rs. 14.16 Million)]

SCHEDULE - E**FIXED ASSETS AND DEPRECIATION**

(Rs. in Million)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01-04-2007	Additions	Deletions/ Adjustments	As at 31-03-2008	As at 01-04-2007	For The Year	Deletions/ Adjustments	As at 31-03-2008	As at 31-03-2008	As at 31-03-2007
Land	18.85	-	-	18.85	0.91	0.09*	-	1.00	17.85	17.94
Buildings	164.42	5.57	-	169.99	30.58	3.79	-	34.37	135.62	133.84
Plant & Machinery	542.90	69.80	0.98	611.72	235.47	40.63	0.55	275.55	336.17	307.43
Furniture & Fixtures	33.34	6.64	-	39.98	16.42	4.25	-	20.67	19.31	16.92
Office Equipments	82.19	10.82	-	93.01	56.55	9.27	-	65.82	27.19	25.64
Air Conditioners & Water Coolers	9.58	1.31	-	10.89	3.34	0.53	-	3.87	7.02	6.24
Vehicles	84.92	28.59	1.51	112.00	31.46	8.46	1.20	38.72	73.28	53.46
TOTAL	936.20	122.73	2.49	1,056.44	374.73	67.02	1.75	440.00	616.44	561.47
		(Net)								
Capital Work-in-Progress	1.92	11.60	-	13.52	-	-	-	-	13.52	1.92
TOTAL	938.12	134.33	2.49	1,069.96	374.73	67.02	1.75	440.00	629.96	563.39
Previous Year	868.49	92.88	23.25	938.12	322.25	58.49	6.01	374.73	563.39	546.24

Note : * The Land includes Leasehold Land and the amount shown in the Depreciation column represents amortisation of the lease cost over the period of the lease.

JYOTI STRUCTURES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - F		
INVESTMENTS		
Long Term Investments		
Quoted (at cost)		
a) SBI Blue Chip Fund (20,000 Units (P.Y. 20,000 Units) of 10/- each fully paid-up) Market value Rs. 0.25 Million (P.Y. Rs. 0.22 Million)	0.20	0.20
b) SBI Infrastructure Fund (50,000 Units (P.Y. NIL Units) of 10/- each fully paid-up) Market value Rs. 0.54 Million (P.Y. Rs. Nil)	0.50	-
c) SBI One India Fund (50,000 Units (P.Y. 50,000 Units) of 10/- each fully paid-up) Market value Rs. 0.49 Million (P.Y. Rs. 0.50 Million) [Aggregate Market Value of Quoted Investment Rs. 1.28 Million (P.Y. Rs. 0.72 Million)]	0.50	0.50
	1.20	0.70
Unquoted (at cost)		
A) In Subsidiary Companies		
a) Jyoti Structures Africa (Pty.) Ltd. (70 Equity Shares (P.Y. NIL Equity Shares) of S.A. Rand 1/- each fully paid-up)	-	-
b) Shree Chhatrapati Shahu Power Co. Ltd. (Wholly Owned Subsidiary Company) (49,940 Equity Shares (P.Y. 49,940 Equity Shares) of Rs. 10/- each fully paid-up)	0.50	0.50
c) JSL Corporate Services Ltd. (Wholly Owned Subsidiary Company) (3,500,000 Equity Shares (P.Y. 3,500,000 Equity Shares) of Rs.10/- each fully paid-up)	35.00	35.00
d) JSL Structures Ltd. (2,874,600 Equity Shares (P.Y. 2,874,600 Equity Shares) of Rs.10/- each fully paid-up)	28.75	28.75
	64.25	64.25
B) In Other Companies		
a) UTI Bond Fund (28,352.225 Bonds (P.Y. 28,352.225 Bonds) of Rs.10/- each fully paid-up)	0.50	0.50
b) Janakalyan Sahakari Bank Ltd. (49,955 Equity Shares (P.Y. 49,955 Equity Shares) of Rs.10/- each fully paid-up)	0.50	0.50
c) AES Orissa Distribution Pvt. Ltd. Less Prov. for diminution in value of Investments (2,150,000 Equity Shares (P.Y. 2,150,000 Equity Shares) of Rs.10/- each fully paid-up)	- -	21.50 (21.50)
d) Gulf Jyoti International LLC (7,755/- Equity Shares (P.Y. 9,930 Equity Shares) of DHS 1,000/- each fully paid-up)	93.29	119.15
e) Premium Financial Services Ltd. Less Prov. for diminution in value of Investments (25,000 Equity Shares (P.Y. 25,000 Equity Shares) of Rs.10/- each fully paid-up)	- -	0.25 (0.25)
	94.29	120.15
	159.74	185.10

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - G		
INVENTORIES		
(As certified by Management)		
a) Raw Materials	392.32	431.58
b) Tools and Tackles	65.14	55.76
c) Stores and Consumables	5.09	4.21
d) Work-in-Progress	110.75	80.78
e) Construction Materials at Site	55.19	51.19
f) Finished Goods	156.95	139.93
	<u>785.44</u>	<u>763.45</u>

SCHEDULE - H**SUNDRY DEBTORS**

(Unsecured and considered good)

Trade Debtors

a) Outstanding for more than 6 months	714.50	525.06
b) Others	4,273.65	3,109.90
	<u>4,988.15</u>	<u>3,634.96</u>

SCHEDULE - I**OTHER CURRENT ASSETS**

(Unsecured and considered good)

Retentions and charges recoverable from customers	1,183.89	905.19
	<u>1,183.89</u>	<u>905.19</u>

SCHEDULE - J**CASH AND BANK BALANCES**

a) Cash in Hand	10.55	11.16
b) Current Accounts with Scheduled Banks	123.46	75.60
c) Current Accounts with other Banks	3.19	1.85
d) Fixed Deposits with Scheduled Banks	0.17	3.74
	<u>137.37</u>	<u>92.35</u>

JYOTI STRUCTURES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - K		
LOANS AND ADVANCES		
a) Advances to Suppliers	321.79	647.38
b) Advances to Subsidiary Companies	83.26	47.02
c) Advances Recoverable in Cash or in kind or for value to be received	284.66	133.17
d) Other Advances	42.66	33.08
e) Deposits with Public Bodies and Others	208.20	28.30
f) Prepaid Expenses	125.76	94.22
g) Advance Payment of Taxes	81.16	81.61
	<u>1,147.49</u>	<u>1,064.78</u>
SCHEDULE - L		
CURRENT LIABILITIES		
a) Sundry Creditors		
i) For goods / services (Incl. Bills Disc. Crs.)	2,279.26	1,902.16
ii) Other Liabilities	168.18	183.58
b) Unclaimed Dividend	0.88	0.77
c) Advances received from Customers	428.48	520.55
	<u>2,876.80</u>	<u>2,607.06</u>
SCHEDULE - M		
PROVISIONS		
a) Provision for Taxation	365.62	147.70
b) Proposed Dividend	64.95	48.42
	<u>430.57</u>	<u>196.12</u>
SCHEDULE - N		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
a) Share Issue Expenses	17.15	21.31
b) Deferred Expenditure	-	2.54
	<u>17.15</u>	<u>23.85</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Year Ended	Year Ended
31-03-2008	31-03-2007
Rs. in Million	Rs. in Million

SCHEDULE - 1**SALES / INCOME FROM OPERATIONS**

a) Sales / Erection of Towers, Structures & Components	13,740.23	10,071.54
b) Conversion Charges	0.28	0.54
c) Residuals & Scrap	187.84	164.35
d) Income From Other Operations	63.21	13.37
	<u>13,991.56</u>	<u>10,249.80</u>

SCHEDULE - 2**OTHER INCOME**

a) Interest	0.27	0.15
b) Lease Rentals / Management Fees	14.94	8.06
	<u>15.21</u>	<u>8.21</u>

SCHEDULE - 3**COST OF MATERIALS**

a) Opening Stock	431.58	411.90
b) Add : Purchases	8,945.08	5,460.26
	9,376.66	5,872.16
c) Less : Closing Stock	392.32	431.58
	<u>8,984.34</u>	<u>5,440.58</u>

SCHEDULE - 4**ERECTION AND SUB-CONTRACTING EXPENSES**

a) Construction Materials & Stores Consumed	358.89	502.28
b) Tools & Tackles Consumed	35.73	31.90
c) Sub-contracting Expenses	1,173.90	772.53
d) Repairs to Equipments / Machinery	8.38	8.47
e) Construction Transportation Charges	128.53	125.52
	<u>1,705.43</u>	<u>1,440.70</u>

SCHEDULE - 5**(INCREASE) / DECREASE IN STOCK OF FINISHED AND SEMI-FINISHED GOODS**

a) Opening Stock	220.71	662.08
b) Less : Closing Stock	267.69	220.71
	<u>(46.98)</u>	<u>441.37</u>

SCHEDULE - 6**PERSONNEL EXPENSES**

a) Salaries and Wages Including Bonus	268.89	202.16
b) Employee Compensation Expense - ESOS	42.89	34.40
c) Contribution to Provident & Other Funds	23.41	17.70
d) Welfare Expenses	11.96	12.24
	<u>347.15</u>	<u>266.50</u>

JYOTI STRUCTURES LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year Ended 31-03-2008 Rs. in Million	Year Ended 31-03-2007 Rs. in Million
SCHEDULE - 7		
OPERATING AND OTHER EXPENSES		
a) Excise Duty	(11.64)	(7.19)
b) Stores & Consumables	27.14	32.24
c) Packing Materials	6.09	2.68
d) Power & Fuel	79.39	59.41
e) Conversion Expenses	145.34	115.19
f) Repairs to Buildings	7.86	3.82
g) Repairs to Plant & Machinery	15.35	10.64
h) Repairs to Others	6.87	5.70
i) Testing & Designing Expenses	11.51	12.45
j) Freight	178.64	124.90
k) Rent	18.37	10.63
l) Rates & Taxes	2.31	1.25
m) Insurance	38.02	34.26
n) Travelling & Conveyance	64.81	56.53
o) Postage, Telephone & Fax	20.39	16.02
p) Printing & Stationery	11.41	8.67
q) Professional & Legal Fees	19.96	16.24
r) Service Charges	84.26	57.42
s) Levies and Taxes	82.19	36.23
t) Directors' Fees	0.23	0.25
u) Auditors' Remuneration	1.26	1.04
v) Bank Charges & Guarantee Commission	115.31	131.72
w) Brokerage & Commission	13.38	39.78
x) Licence & Tender Fees	4.63	5.73
y) Forex Fluctuation Loss	16.23	9.60
z) General Expenses	27.01	33.92
aa) Donations	0.72	1.32
ab) Capital WIP Written Off	-	6.29
ac) Advances Written Off	-	9.15
ad) Loss on Sale of Fixed Assets	0.07	1.80
ae) Loss on Sale of Investment	1.52	-
af) Amortisation of Deferred Expenses	6.70	5.87
ag) Diminution in values of Investment	-	21.75
	995.33	865.31

SCHEDULE - 8

INTEREST

a) On Term Loans	59.43	41.29
b) On Bank Loans	284.60	208.54
c) On Others	120.29	79.04
	464.32	328.87

SCHEDULE - O STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**1. Basis of preparation of Financial Statements:**

The financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting and in compliance with accounting standards prescribed to the extent applicable.

2. Revenue Recognition:

- a) Sale of goods is recognised on completing the supplies as per Set / Completed Tower basis and upon raising commercial invoice. Sales include excise duty and adjustment for price variation and are net of claims accepted.
- b) In case of construction contracts, revenue is recognized as per percentage completion method and sales / income are booked on the basis of running bills based on completed work as per Accounting Standard – 7 and are net of claims accepted. Escalations and other claims which are not ascertainable / acknowledged by customers are not taken into account.
- c) Leasing income is accounted for on accrual basis.
- d) The insurance claims are accounted for on accrual basis based on fair estimation of possible sanction of claims by the insurance companies.

3. Fixed Assets:

Fixed Assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use and less of accumulated depreciation.

4. Depreciation:

- a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except on Fixed Assets of Ethiopia and Tunisia Branches.
- b) On all Fixed Assets of Ethiopia Branch, the depreciation is provided on Written Down Value Method at the rates applicable in Ethiopia. If the depreciation had been provided on all fixed assets of the Ethiopia Branch on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956; the profit of the Company would have been lower by Rs. 0.25 Million (P.Y. lower by Rs. 0.09 Million).
- c) On all Fixed Assets of Tunisia Branch, the depreciation is provided on Straight Line Method at the rates applicable in Tunisia. If the depreciation had been provided on all fixed assets of the Tunisia Branch on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956; the profit of the Company would have been higher by Rs. 0.02 Million (P.Y. Rs. 0.008 Million).
- d) Leasehold land is amortised over the period of lease.

5. Investments:

Investments are stated at cost, except where there is a diminution in value other than temporary in which case the carrying value is reduced to recognize the decline.

6. Inventories:

- a) Raw Materials, Construction materials, Components and Stores & Spares are valued at lower of cost or net realisable value.
- b) Cost of inventories has been determined by using the weighted average cost formula.
- c) Work-in-progress is valued at cost including material cost and attributable overheads. Provision is made when expected realization is lesser than the carrying cost.
- d) Finished goods are valued at cost or net realisable value whichever is lower and inclusive of excise duty.
- e) Tools and tackles are valued at cost less amounts written off.
- f) Scrap is valued at net realisable value.

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7. Impairment of Assets:

Impairment loss if any is provided to the extent the carrying amount of asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and its value in use.

8. Amortisation:

a) Deferred Revenue Expenditure and Issue expenses:

Deferred Revenue Expenses and Expenses incurred for issue of Equity Shares made by the Company are written off over a period of 5 years in equal instalments.

b) Cost of Stock Options:

The cost of employee stock options granted is recognised on issue of Stock options and such cost is amortised as per SEBI guidelines.

9. Government Grant:

The amount of government grant received as compensation for expenses is credited to Profit & Loss Account, under the head "Income From Other Operations".

10. Foreign Currency Transactions:

Transactions in foreign currencies, other than those covered by Forward Contracts, are accounted for at the exchange rates prevailing on the dates of transactions. Assets and Liabilities remaining unsettled at the end of the year, other than those covered by Forward Contracts are reported at the closing rates. Gains and Losses on translation and realised gains and losses on foreign currency transactions, are recognised in the Profit and Loss Account. Non-monetary items other than fixed assets denominated in a foreign currency are stated in terms of historical costs. Foreign Branches: (Integral)

- a) Fixed assets are translated at the rates on the date of purchase / acquisition of assets.
- b) Monetary items are translated at the year end exchange rates which reflect the likely realization. Income and expenditure are translated on the average rate of exchange.
- c) The resultant exchange gains and losses are recognised in the Profit and Loss Account.

11. Excise Duty:

The excise duty in respect of closing inventory of finished goods is included as part of inventory. The amount of Central Value Added Tax (CENVAT) credit in respect of materials consumed for sales is deducted from cost of materials consumed.

12. Employees' retirement and other benefits:

a) Defined contribution plan:

The Company's contribution to Provident Fund and Superannuation Fund are charged to Profit and Loss Account.

b) Defined benefit plan:

The Company's contribution to Gratuity Fund is towards premium on LIC's policy taken by the Trustees of the Fund to cover the gratuity liability. The Company is liable to make further contribution in case funds in the hands of the trustees are not sufficient to meet the claims of the employees. The Management is of the opinion that the Gratuity funds will be sufficient to cover the future liability of gratuity and no further provision is required to be made on this account.

- c) The Bonus to employees is accounted for on accrual basis.
- d) The liability on account of Leave Encashment and Leave Travel Allowance is accounted for on accrual basis.
- e) The cost of employee stock option attributable to current financial year is accounted for and charged to Profit & Loss Account.

13. Taxes on Income:

The current tax is determined as the amount of tax payable in respect of estimated taxable income for the period. Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income for a period that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax asset are recognised only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

14. Earnings Per Share:

The basic earning per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

15. Provisions and Contingencies:

- a) A provision is recognized when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.
- b) A disclosure for a contingent liability is made when there is a possible or present obligation that may but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

16. Employees Stock Option Scheme :

Stock option granted to the employees of the company under the Employees Stock Option Scheme are evaluated as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly excess of market value of the Stock Option as on date of grant over the exercise price of the Options is recognized as deferred employee compensation and is charged to profit & loss accounts as employee costs on straight line method over the vesting period of the Options.

SCHEDULE - P NOTES FORMING PART OF THE ACCOUNTS**1. Outstanding Contracts - Capital Account:**

Estimated amount of contracts remaining to be executed on capital account and not provided for are Rs. 25.47 Million (P.Y. Rs. Nil). Advance paid Rs. 14.57 Million (P.Y. Rs. Nil).

2. Managerial Remuneration:

The total amount of Managerial Remuneration paid / payable to the Managing Director and two Whole-time Directors is Rs. 52.55 Million (P.Y. Rs. 43.47 Million), which is inclusive of perquisites of Rs. 0.15 Million (P.Y. Rs. 0.13 Million).

3. Contingent Liabilities not provided for:

- a) Outstanding Performance Guarantees given by banks are Rs. 4,706.02 Million (P.Y. Rs. 3,208.61 Million).
- b) Claims against Company / Disputed Liabilities not acknowledged as debts :

Sr.	Nature of Claims	Period to which the amount relates	2007-08 Rs. in Million	2006-07 Rs. in Million
1	Sales Tax (Tax/Penalty/Interest)	1994-06	4.74	12.20
2	The Central Excise Act	2002-06	25.81	28.53
3	The Income Tax Act	2000-01	1.85	-
	Total		32.40	40.73

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4. Auditors' Remuneration :

	2007-08 Rs. in Million	2006-07 Rs. in Million
i) For Audit*	1.12	0.84
ii) For Other Services*	0.17	0.17
iii) For Ethiopia Branch (For Audit & Taxation Matters)	0.05	0.08
iv) For Tunisia Branch (For Audit & Taxation Matters)	0.07	0.06
Total	<u>1.41</u>	<u>1.15</u>

(*Figures are inclusive of Service Tax)

5. a) Capacity and Production of Transmission Lines, Towers & Structures:

	As at 31-03-2008	As at 31-03-2007
i) Installed Capacity (MT p.a.)	76,000	76,000
ii) Production (MT)	74,330	61,192

The installed capacity as disclosed above is as certified by the management and the same has been relied upon by the Auditors, as this is a technical matter. The production includes production outsourced to various parties at various stages of production.

The installed capacity of its subsidiary company viz. JSL Structures Ltd. is 19,800 MT p.a. Therefore the total installed capacity at the disposal of the Company is 95,800 MT p.a.

b) Turnover, Opening and Closing Stock of Transmission Line Towers & Structures/Components & parts:

	2007-08		2006-07	
	MT	Rs. in Million	MT	Rs. in Million
i) Turnover [@]	73,461	13,740.51	66,593	10,072.08
ii) Residuals & Scrap	-	187.84	-	164.35
iii) Opening Stock (Finished Goods)	2,684	139.93	8,085	379.83
iv) Closing Stock (Finished Goods)	3,553	156.95	2,684	139.93

[@] It also includes turnover of Bought-out goods and Turnkey Projects

c) Consumption - Raw Materials / Bought-out Components etc.:

	2007-08		2006-07	
	MT	Rs. in Million	MT	Rs. in Million
i) Steel	78,947	2,609.76	65,036	1,909.54
ii) Zinc	3,149	439.94	3,066	452.41
iii) Fasteners, ASCR Conductors Accessories / Bought-out Towers & Structures / Components, etc.		5,934.64		3,078.63

6. CIF Value of Imports (Direct):

	2007-08 Rs. in Million	2006-07 Rs. in Million
a) Capital Goods	1.42	-
b) Raw Materials	566.27	378.29
c) Spare parts	0.22	0.84

7. Value of Imported and Indigenous Raw Materials and Stores & Components consumed :

	2007-08		2006-07	
	%	Rs. in Million	%	Rs. in Million
a) Raw Materials:				
i) Imported in India	8.88%	126.14	13.47%	318.26
ii) Indigenous	91.12%	2,923.56	86.53%	2,043.69
b) Stores & Spares				
i) Imported in India	0.65%	0.22	2.34%	0.84
ii) Indigenous	99.35%	33.23	97.66%	34.92
c) Components				
i) Imported in India	8.88%	527.04	2.02%	62.11
ii) Indigenous	91.12%	5,407.60	97.98%	3,016.52

8. Earnings and Expenditure in Foreign Currency:

	2007-08	2006-07
	Rs. in Million	Rs. in Million
i) Earnings at FOB price (including Deemed Exports and Sales through Export House)	3,553.40	809.93
ii) Expenditure – a) Interest	21.93	22.96
b) Travelling & Others	9.25	18.38
c) Overseas Projects	11.24	11.23

9. Deferred Tax Liability (Net):

	Deferred Tax Liability/ (Asset) as at 01.04.2007	Current year Charge/ (Credit)	(Rs. in Million) Deferred Tax Liability/(Asset) as at 31.03.2008
Deferred Tax Liabilities:			
On account of difference between book and tax depreciation	76.77	3.95	80.72
Deferred Tax Assets:			
Others	0.03	(0.03)	-
Deferred Tax Liability (Net)	76.80	3.92	80.72

10. Particulars in regard to bank balances with non-scheduled banks:

Name of the Bank	2007-08 Rs. in Million	2006-07 Rs. in Million
State Bank of Tunisia	2.33	0.12
National Bank of Abu Dhabhi, Dubai	0.81	-
Commercial Bank of Ethiopia	0.03	1.67
Bank of Bhutan	0.02	0.02
Bank of Bahrain and Kuwait	-	0.04

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11. Disclosures in respect of Joint Ventures under the Accounting Standard 27 “ Financial Reporting of Interest in Joint Ventures” :

	Share of Interest	
	2007-08 Rs. in Million	2006-07 Rs. in Million
a) Jointly Controlled Entities		
Gulf Jyoti International	20%	30%
b) Aggregate amount of assets, liabilities, income and expenditure related to interest in jointly controlled entities:		
Assets:		
Fixed Assets	110.16	2.93
Cash and bank balances	3.30	95.56
Inventories	1.41	-
Trade and other receivables	100.98	18.39
Loans and Advances	1.32	-
Current Liabilities	87.00	10.17
Non-current liabilities	80.44	0.05
Income	81.85	-
Expenditure	97.23	10.01

12. Forward Exchange Contracts which are not intended for trading or speculative purpose outstanding as at March 31, 2008 are as follows:

Currency	Buy/Sell	2007-08 Foreign Currency In Million	2006-07 Foreign Currency In Million
USD/INR	Buy	4.08	3.00

13. Disclosure in respect of the agreements entered into after 1st April, 2001 for taking on leave and license / under operating leases the residential / office premises and warehouses, including furniture and fittings and elevators therein, as applicable, and machinery, is given below:

- Lease payments are recognised in the Profit and Loss Account for the year.
- Under some of the agreements, refundable interest free deposits have been given.
- Some of the agreements provide for increase in rent.
- Some of the agreements provide for early termination by either party with a notice period which varies from 15 days to 3 months.
- Some of the agreements contain a provision for its renewal.

14. Related Party Disclosures:

Related party disclosures as required by Accounting Standard 18, “Related Party Disclosures”, issued by the Institute of Chartered Accountants of India are given below:

- Relationships (During the year)
 - Subsidiary of the Company
JSL Structures Ltd.
Shree Chhatrapati Shahu Power Co. Ltd.
JSL Corporate Services Ltd.
Jyoti Structure Africa (Pty.) Ltd.

- (ii) Key Management Personnel
K R Thakur - Managing Director
Prakash Thakur - Whole-time Director
Santosh Nayak - Whole-time Director
S S Karande

- (iii) Joint Venture:
Gulf Jyoti International LLC

- (iv) Associate
Val-Mir Construction Pvt. Ltd. *
* no transactions during the year

2 The following transactions were carried out with the related parties in the ordinary course of business.

		(Rs. in Million)	
Sr.	Particulars	Type of Relationship	2007-08 2006-07
1	Purchase of Goods / Services	1(i)	129.29 36.44
2	Sale of Goods	1(i)	0.93 2.61
3	Unsecured loan (net) given / (taken) during the year	1(i)	164.59 30.85
4	Outstanding loan given / (taken) at the end of the year	1(i)	83.26 47.02
5	Remuneration paid	1(ii)	58.89 53.16
6	Outstanding loan given / (taken) at the end of the year	1(iii)	35.29 30.09
7	Investment made/(sold)	1(iii)	(25.86) 40.65

15. Information in accordance with the requirement of Accounting Standard - 7 (Revised) "Construction Contracts" issued by Institute of Chartered Accountants of India:

		(Rs in Million)	
		2007-08	2006-07
Contract revenue recognised during the year.		2,609.71	1,948.67
Method used to determine the contract revenue recognised and the stage of completion of contracts in progress.		Percentage Completion Method	
Disclosure in respect of contracts in progress as at the year end: Aggregate amount of costs incurred and recognised profits (less recognised losses)		4,260.83	2,886.26
Advances received		171.39	208.21
Retentions receivable		421.94	383.33

16. Employees Stock Option Scheme :

On 3rd August, 2005, the company established Jyoti Structures Limited Employees Stock Option Scheme (ESOS) which was modified on 6.9.2005, 9.10.2006 and 31.03.2008. Under the Scheme, the company is authorized to issue upto 5,00,000 (Five lacs) Options convertible into 25,00,000 (Twenty Five lacs) equity shares of Rs.2/- each to employees. A Compensation Committee has been constituted by the Board of Directors of the Company to administer the Scheme.

Each option is at a grant price of Rs. 85/- each to be converted into 5 Equity shares of Rs. 2/- each at an exercise price of Rs. 17/- per Equity Share (being the exercise price adjusted after split of face value of shares from Rs. 10/- to Rs. 2/-). Under the scheme, 30% of the options vest at the end of one year from the

JYOTI STRUCTURES LIMITED

date of grant of the options, 30% at the end of the second year from the date of grant of options and the balance 40% at the end of third year from the date of grant of options.

The amount in Employee Stock Option Outstanding account of Rs. 101.12 Million (P.Y. Rs. 87.83 Million) represents discounts on the above said options outstanding.

An amount of Rs. 42.89 Million (P.Y. Rs. 34.40 Million) debited to Employee Compensation Expense – ESOS account representing the proportionate cost upto the year end has been charged to the revenue account.

The balance un-amortised portion of Rs. 50.39 Million (P.Y. Rs. 51.74 Million) being Deferred Employee Compensation Expense has been shown as reduction from Employees Stock Options outstanding in the Balance Sheet.

	2007-08 (In Numbers)	2006-07 (In Numbers)
Options Granted and outstanding at the beginning of the year	270,900	234,800
Options Granted during the year	42,650	111,650
Options Lapsed and / or withdrawn during the year	9,800	7,300
Options exercised during the year against which shares were allotted	97,390	68,250
Options granted and outstanding at the end of the year of which		
- Options Vested	2,820	-
- Options yet to Vest	203,540	270,900

17. Earnings Per Share (EPS):

	2007-08	2006-07
i) Profit / (Loss) after Tax (Rs. in Million)	724.14	550.17
ii) Weighted Average Number of Ordinary Shares for Basic Earning Per Share (In Nos.)	80,899,327	76,615,350
iii) Weighted Average Number of Ordinary Shares for Diluted Earning Per Share (In Nos.)	81,859,199	77,809,159
iv) Nominal value of Ordinary Share	Rs. 2/-	Rs. 2/-
v) Basic Earning Per Ordinary Share	Rs. 8.95	Rs. 7.18
vi) Diluted Earning Per Ordinary Share	Rs. 8.85	Rs. 7.07

18. Company has not made any provision for diminution in value of shares of JSL Structures Ltd. held by it and also by its fully owned subsidiary company on account of accumulated losses. JSL Structures Ltd. has made profit during the financial year 2007-08. The Company further expects JSL Structures Ltd. to make profits in the years to come in the business of manufacturing transmission line towers; and hence diminution in value is considered to be temporary.
19. The Company had invested Rs. 21.50 million in AES Orissa Distribution Pvt. Ltd. and Rs. 0.25 million in Premium Financial Services Ltd. Full provision for the same was made in the accounts in the previous year. In the current year the investment is written off from the books.
20. The terms and conditions of various contracts being executed by the Company provide for clauses in respect of liquidated damages applicable for any delay in completion of the whole or a portion of the contracts. In case of a few contracts, where there have been such delays in completion of the contracts, the Company is currently negotiating with its customers for an extension of time for the delays attributable to customers to

complete the contracts. It is currently uncertain as to whether the customers would grant the required extension of time and hence, the quantum of liquidated damages is also uncertain. As per the past experience, where the delays are due to reasons beyond the control of the Company, the approvals for time extensions are normally received from customers, which sometimes take more than reasonable time. As such, no provision on this account has been made in the books of account.

21. The Company for facilitating its job work, has advanced a net amount of Rs. 66.25 Million (P.Y. Rs. 47.02 Million) to its subsidiary company, JSL Structures Ltd. as of 31st March, 2008. Though the Company has substantial accumulated losses it has started making profits and it is expected to continue to do so.
22. The Provision for Income Tax amounting to Rs. 365.62 Million (P.Y. Rs. 147.70 Million) as stated in the Balance Sheet is net of Advance Tax, Tax Deducted at Source and other adjustments.
23. Sundry Creditors for goods / services include:
 - i) Amounts payable beyond one year mainly consist of Retentions of Rs. 97.43 Million, (P.Y. Rs. 64.54 Million)
 - ii) Amounts due to small scale industrial undertakings Rs. 5.35 Million (P.Y. Rs. 6.77 Million).
 - iii) The names of small scale industrial undertakings to whom the Company owes a sum, for more than 30 days are Ganesh Plywood & Timber, M M Traders & Manufacturers, Neha Engineering, Petro Synth (I) Pvt Ltd., Patel Packing Prod., Shri Shivleela Gramodyog, Siddhi Vinayak Metal Pressing Works, Adityapur Dies, Electromech India, Jasmine India P. Ltd., Makcon Industries, Ratnam Industries, Sree Satya Fasteners Pvt Ltd.
24. The Company is operating in only one business segment of power transmission and distribution wherein it manufactures, deals in various components/equipments and constructs infrastructures related to power transmission.
25. Current assets and Current liabilities stating receivables and payables are subject to confirmation.
26. Previous Year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report attached

For and on behalf of the Board

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

R M AJGAONKAR
Partner
Membership No. 31927
Mumbai, 2nd May, 2008

L H KHILNANI
Company Secretary

K R THAKUR
Managing Director

S D KSHIRSAGAR
Chairman

JYOTI STRUCTURES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

		Year Ended 31-03-2008 Rs. in Million	Year Ended 31-03-2007 Rs. in Million
I CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Taxes and Extraordinary Items	[A]	1,202.59	875.07
ADJUSTMENTS FOR			
i) Depreciation		67.02	58.16
ii) Interest		464.32	328.87
iii) Net Loss on sale of Fixed Assets		0.07	1.80
iv) Net Loss on sale of Investments		1.52	-
v) Amortisation of Deferred Expenses		6.70	5.87
vi) Employee Compensation Expense - ESOS		42.89	34.40
vii) Capital WIP W/Off		-	6.29
viii) Advances W/Off		-	9.15
ix) Diminution in Value of Investments		-	21.75
	[B]	582.52	466.29
Operating Profit before Working Capital changes	[A+B] = [C]	1,785.11	1,341.36
ADJUSTMENTS FOR			
i) Inventories		(21.98)	449.92
ii) Other Current Assets		(1,673.16)	(1,949.72)
iii) Current Liabilities		504.17	104.44
	[D]	(1,190.97)	(1,395.36)
Cash generated from Operations	[C+D] = [E]	594.14	(54.00)
ADJUSTMENTS FOR			
i) Taxation		(485.57)	(333.98)
	[F]	(485.57)	(333.98)
Cash Flow before Extraordinary Items	[E+F] = [G]	108.57	(387.98)
EXTRAORDINARY ITEMS			
i) Prior Period Adjustments		-	0.01
ii) Excess/(Short) Provision of Taxes for earlier years		(45.50)	(4.84)
	[H]	(45.50)	(4.83)
Net Cash from Operating Activities [I]	[G+H]	63.07	(392.81)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year Ended 31-03-2008 Rs. in Million	Year Ended 31-03-2007 Rs. in Million
II CASH FLOW FROM INVESTING ACTIVITIES		
i) Sale of Fixed Assets	0.67	2.27
ii) Purchase of Fixed Assets	(122.73)	(92.89)
iii) Decrease / (Increase) in Capital Work-in-Progress	(11.60)	6.87
iv) Purchase of Investments	(0.50)	(41.15)
v) Proceeds from Redemption of Investments	24.34	-
vi) Net Advances to Companies other than Subsidiaries	(5.19)	(30.08)
vii) Net Advances to Subsidiary Companies	(36.23)	2.97
Net Cash used in Investing Activities [II]	(151.24)	(152.01)
III CASH FLOW FROM FINANCING ACTIVITIES		
i) Net Proceeds from Issue of Equity Share Capital (inclusive of Share Premium and after considering ESOS allotted to employees)	8.49	1,019.24
ii) Repayment of Long Term Borrowings	(63.29)	(118.17)
iii) Sales Tax Deferments (Net)	(14.15)	(1.89)
iv) Net Increase / (Decrease) in Short Term Borrowings from Banks & Others	742.22	117.75
v) Proceeds from Asset Finance from Banks	-	2.35
vi) Repayment of Asset Finance from Banks	(9.29)	(11.65)
vii) Proceeds from Asset Finance from Financiers	3.06	0.46
viii) Repayment of Asset Finance from Financiers	(4.58)	(3.18)
ix) Equity Share Dividend	(64.95)	(48.42)
x) Interest paid	(464.32)	(328.87)
xi) Deferred Expenses Incurred	-	(28.63)
Net Cash from Financing Activities [III]	133.19	598.99
Net Increase/(Decrease) in Cash and Cash Equivalents I + II + III	45.02	54.17
Cash and Cash Equivalents at the beginning of the year	92.35	38.18
Cash and Cash Equivalents at the end of the year	137.37	92.35

As per our report attached

For and on behalf of the Board

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

R M AJGAONKAR
Partner
Membership No. 31927
Mumbai, 2nd May, 2008

L H KHILNANI
Company Secretary

K R THAKUR
Managing Director

S D KSHIRSAGAR
Chairman

JYOTI STRUCTURES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No. : L45200MH1974PLC017494 State code : 11

Balance Sheet Date : 31 03 2008
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Equity Issue
NIL	974

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Sources of Funds

Total Liabilities	Total Asset
5,741,817	5,741,817
Paid-up Capital	Reserves & Surplus
162,366	3,249,810
Secured Loans	Unsecured Loans
1,826,789	422,133
	Deferred Tax Liability
	80,719

Application of Funds

Net Fixed Assets	Investments
629,957	159,731
Net Current Assets	Misc. Expenditure
4,934,975	17,154

IV. Performance of the Company

(Amount in Rs. Thousands)

Turnover & Other Income	Total Expenditure
13,719,200	12,516,607
Profit/(Loss) before Tax	Profit/(Loss) after Tax
1,202,593	724,143
Earning Per Share in Rs.	Dividend Rate %
8.95	40%

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

1) Item Code No. (ITC Code)

730890

2) Product Description

i) Transmission Tower & its parts and Sub-station Structures
ii) Execution of turnkey Transmission Line Projects

For and on behalf of the Board

Mumbai, 2nd May, 2008

L H KHILNANI
Company Secretary

K R THAKUR
Managing Director

S D KSHIRSAGAR
Chairman

Auditors' report to the Board of Directors of Jyoti Structures Ltd. on the Consolidated Financial Statements of Jyoti Structures Ltd. and its Subsidiary.

To the Board of Directors of Jyoti Structures Ltd.

1. We have audited the attached Consolidated Balance Sheet of JYOTI STRUCTURES LIMITED ("the Company") and its subsidiaries (the company and its subsidiaries constitute 'the Group') as at 31st March, 2008, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements of the group for the year ended 31st March, 2008 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the Consolidated Financial Statements together with the notes thereon and attached thereto give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2008 ;
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date ; and
 - c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

R M AJGAONKAR
Partner
Membership No. 31927

Mumbai
2nd May, 2008

JYOTI STRUCTURES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2008

	Schedule	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SOURCES OF FUNDS			
1 Shareholders' Funds			
a) Share Capital	A	162.37	161.39
b) Reserves & Surplus	B	3,217.45	2,543.71
		<u>3,379.82</u>	<u>2,705.10</u>
2 Minority Interest		-	-
3 Loan Funds			
a) Secured Loans	C	1,826.79	1,514.79
b) Unsecured Loans	D	422.18	92.72
		<u>2,248.97</u>	<u>1,607.51</u>
4 Deferred Taxation Liability (Net)		67.88	55.14
		<u>5,696.67</u>	<u>4,367.75</u>
APPLICATION OF FUNDS			
1 Fixed Assets	E		
Gross Block		1,140.58	979.75
Less : Depreciation		456.15	385.64
Net Block		<u>684.43</u>	<u>594.11</u>
Add : Capital Work-in-Progress		15.04	11.22
		<u>699.47</u>	<u>605.33</u>
2 Investments	F	95.62	120.98
3 Currents Assets, Loans & Advances			
a) Inventories	G	792.75	818.40
b) Sundry Debtors	H	4,998.48	3,639.04
c) Other Current Assets	I	1,183.89	905.19
d) Cash & Bank Balances	J	139.98	93.20
e) Loans & Advances	K	1,094.94	1,043.41
		<u>8,210.04</u>	<u>6,499.24</u>
Less :			
Current Liabilities & Provisions			
a) Current Liabilities	L	2,894.34	2,684.98
b) Provisions	M	431.63	196.69
		<u>3,325.97</u>	<u>2,881.67</u>
Net Current Assets		<u>4,884.07</u>	<u>3,617.57</u>
4 Miscellaneous Expenditure (to the extent not written off or adjusted)	N	17.51	23.87
		<u>5,696.67</u>	<u>4,367.75</u>
Significant Accounting Policies	O		
Notes forming part of the accounts	P		

As per our report attached

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

For and on behalf of the Board

R M AJGAONKAR
Partner
Membership No. 31927
Mumbai, 2nd May, 2008

L H KHILNANI
Company Secretary

K R THAKUR
Managing Director

S D KSHIRSAGAR
Chairman

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	Year Ended 31-03-2008 Rs. in Million	Year Ended 31-03-2007 Rs. in Million
INCOME			
1 Gross Sales / Income from Operations	1	14,036.58	10,265.95
Less Excise Duty		298.27	542.16
Net Sales / Income from Operations		13,738.31	9,723.79
2 Other Income	2	15.23	8.22
		<u>13,753.54</u>	<u>9,732.01</u>
EXPENDITURE			
1 Cost of Materials	3	8,974.38	5,441.73
2 Erection and Sub-contracting Expenses	4	1,705.43	1,440.70
3 (Increase) / Decrease in stock of Finished / Semi-Finished Goods	5	(48.92)	444.84
4 Personnel Expenses	6	358.32	276.65
5 Operating and Other Expenses	7	991.12	856.88
6 Interest	8	467.33	329.29
7 Depreciation		72.26	59.96
Less : Deferred Govt. / WMDC Grant/Revaluation Reserve		0.24	0.57
		<u>72.02</u>	<u>59.39</u>
		<u>12,519.68</u>	<u>8,849.48</u>
8 Profit / (Loss) before taxes		1,233.86	882.53
9 Taxes			
Current Tax		435.51	322.78
Fringe Benefit Tax		40.46	3.80
Deferred Tax (Net)		12.74	1.30
10 Profit / (Loss) after taxes		<u>745.15</u>	<u>554.65</u>
11 Minority Interest		-	-
12 Profit after taxes & Minority Interest		<u>745.15</u>	<u>554.65</u>
13 Prior Year Adjustment (Net)		-	0.15
14 Excess / (Short) Provision of Taxes for earlier years		(45.57)	(4.86)
15 Profit after Tax & Prior Year Adjustments		<u>699.58</u>	<u>549.94</u>
16 Balance b / f from previous year		<u>553.16</u>	<u>139.87</u>
17 Profit available for Appropriations		<u>1,252.74</u>	<u>689.81</u>
APPROPRIATIONS			
a Proposed Dividend - Equity Share		64.95	48.42
b Corporate Dividend Tax		11.04	8.23
c Transfer to General Reserve		100.00	80.00
d Balance carried to Balance Sheet		1,076.75	553.16
		<u>1,252.74</u>	<u>689.81</u>
Earning Per Share (In Rs.) (Nominal Value of Rs. 2/- each):			
: Basic		9.21	7.24
: Diluted		9.10	7.13
Significant Accounting Policies	O		
Notes forming part of the accounts	P		

As per our report attached

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

For and on behalf of the Board

R M AJGAONKAR
Partner
Membership No. 31927
Mumbai, 2nd May, 2008

L H KHILNANI
Company Secretary

K R THAKUR
Managing Director

S D KSHIRSAGAR
Chairman

JYOTI STRUCTURES LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

		As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - A			
SHARE CAPITAL			
Authorised :			
150,000,000	Equity Shares of Rs. 2/- each (P.Y. 150,000,000 Equity Shares of Rs. 2/- each)	300.00	300.00
5,000,000	Redeemable Preference Shares of Rs. 100/- each (P.Y. 50,00,000 Preference Shares of Rs. 100/- each)	500.00	500.00
		800.00	800.00
Issued :			
81,198,100	Equity Shares of Rs. 2/- each (P.Y. 80,711,150 Equity Shares of Rs. 2/- each)	162.40	161.42
Subscribed & Paid-up :			
81,182,840	Equity Shares of Rs. 2/- each fully paid-up (P.Y. 80,695,890 Equity Shares of Rs. 2/- each)	162.37	161.39
		162.37	161.39
SCHEDULE - B			
RESERVES AND SURPLUS			
a)	Capital Reserve	0.61	0.61
b)	Cap. Reserve arising on Consolidation	9.60	9.60
c)	WMDC Special Capital Grant	-	-
d)	Capital Redemption Reserve	30.00	30.00
e)	Security Premium	1,501.35	1,465.59
f)	Employee Stock Option Outstanding	101.12	87.83
	Less : Deferred Employee Compensation Expense	50.39	51.74
		50.73	36.09
g)	General Reserve	448.41	368.66
	Add : Transferred from Profit & Loss Appropriation Account	100.00	80.00
		548.41	448.66
h)	Balance as per Profit and Loss Account	1,076.75	553.16
		3,217.45	2,543.71

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - C		
SECURED LOANS		
a) Banks (for Working Capital)	1,780.07	1,393.96
b) IDBI - Term Loan	-	16.00
c) IL&FS Term Loan	10.71	46.43
d) EXIM Bank - (GJI) - Loan	29.41	40.99
e) Asset Finance - From Banks	2.17	11.45
f) Asset Finance - From Financiers	4.43	5.96
	<u>1,826.79</u>	<u>1,514.79</u>

SCHEDULE - D**UNSECURED LOANS**

a) Sales Tax - Deferral - WMDC / SICOM	46.67	47.04
b) Sales Tax - Deferral - Madhya Pradesh	19.40	33.18
c) Inter Corporate Deposits	-	12.50
d) Corporate Term Loan from Banks	356.11	-
	<u>422.18</u>	<u>92.72</u>

JYOTI STRUCTURES LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE - E

FIXED ASSETS AND DEPRECIATION

(Rs. in Million)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	ASAT 01-04-2007	ADDITIONS	DELETIONS/ ADJUSTMENTS	ASAT 31-03-2008	ASAT 01-04-2007	FOR THE YEAR	DELETIONS/ ADJUSTMENTS	ASAT 31-03-2008	ASAT 31-03-2008	ASAT 31-03-2007
Land	19.09	-	-	19.09	0.98	0.09*	-	1.07	18.02	18.11
Buildings	183.41	12.78	-	196.19	37.56	4.38	-	41.94	154.25	145.85
Plant & Machinery	564.75	102.11	0.98	665.88	237.51	45.00	0.55	281.96	383.92	327.24
Furniture & Fixtures	33.78	7.25	-	41.03	16.82	4.29	-	21.11	19.92	16.96
Office Equipments	83.61	11.22	-	94.83	57.44	9.47	-	66.91	27.92	26.17
Air Conditioners & Water Coolers	9.64	1.38	-	11.02	3.38	0.53	-	3.91	7.11	6.26
Vehicles	85.47	28.58	1.51	112.54	31.95	8.50	1.20	39.25	73.29	53.52
TOTAL	979.75	163.32	2.49	1,140.58	385.64	72.26	1.75	456.15	684.43	594.11
		(Net)								
Capital Work-in-Progress	11.22	3.82	-	15.04	-	-	-	-	15.04	11.22
TOTAL	990.97	167.14	2.49	1,155.62	385.64	72.26	1.75	456.15	699.47	605.33
Previous Year	921.18	114.70	44.91	990.97	349.56	59.96	23.88	385.64	605.33	571.62

Note : * The Land includes Leasehold Land and the amount shown in the Depreciation column represents amortisation of the lease cost over the period of the lease.

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - F		
INVESTMENTS		
Long Term Investments		
Quoted (at cost)		
a) SBI Blue Chip Fund	0.20	0.20
b) SBI Infrastructure Fund	0.50	-
c) SBI One India Fund	0.50	0.50
	<u>1.20</u>	<u>0.70</u>
Unquoted (at cost)		
a) UTI Bond Fund	0.50	0.50
b) Janakalyan Sahakari Bank Ltd.	0.63	0.63
c) AES Orissa Distribution Pvt. Ltd.	-	21.50
Less Prov. for diminution in value of Investments	-	(21.50)
d) Gulf Jyoti International LLC	93.29	119.15
e) Jyoti Structures Africa (Pty.) Ltd.	-	-
f) Premium Financial Services Ltd.	-	0.25
Less Prov. for diminution in value of Investments	-	(0.25)
	<u>94.42</u>	<u>120.28</u>
	<u>95.62</u>	<u>120.98</u>

SCHEDULE - G**INVENTORIES****(As certified by Management)**

a) Raw Materials	396.55	485.40
b) Tools and Tackles	65.14	55.76
c) Stores and Consumables	6.23	5.32
d) Work-in-Progress	112.69	80.79
e) Construction Materials at Site	55.19	51.20
f) Finished Goods	156.95	139.93
	<u>792.75</u>	<u>818.40</u>

SCHEDULE - H**SUNDRY DEBTORS**

(Unsecured and considered good)

Trade Debtors

a) Outstanding for more than 6 months	715.69	526.25
b) Others	4,282.79	3,112.79
	<u>4,998.48</u>	<u>3,639.04</u>

JYOTI STRUCTURES LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31-03-2008 Rs. in Million	As at 31-03-2007 Rs. in Million
SCHEDULE - I		
OTHER CURRENT ASSETS		
(Unsecured and considered good)		
Retentions and charges recoverable from customers	1,183.89	905.19
	<u>1,183.89</u>	<u>905.19</u>
SCHEDULE - J		
CASH AND BANK BALANCES		
a) Cash in Hand	10.57	11.17
b) Current Accounts with Scheduled Banks	126.03	76.42
c) Current Accounts with Other Banks	3.19	1.85
d) Fixed Deposits with Scheduled Banks	0.19	3.76
	<u>139.98</u>	<u>93.20</u>
SCHEDULE - K		
LOANS AND ADVANCES		
a) Advances to Suppliers	324.39	651.15
b) Advances Recoverable in Cash or in kind or for value to be received	304.34	134.90
c) Other Advances	43.99	34.40
d) Deposits with Public Bodies and Others	215.00	44.21
e) Prepaid Expenses	125.91	96.82
f) Advance Payment of Taxes	81.31	81.93
	<u>1,094.94</u>	<u>1,043.41</u>
SCHEDULE - L		
CURRENT LIABILITIES		
a) Sundry Creditors		
i) For goods / services / Bill Disc. Crs.	2,289.99	1,976.02
ii) Other Liabilities	173.77	187.40
b) Unclaimed Dividend	0.88	0.77
c) Advances received from Customers	429.70	520.79
	<u>2,894.34</u>	<u>2,684.98</u>
SCHEDULE - M		
PROVISIONS		
a) Provision for Taxation	366.68	148.27
b) Proposed Dividend	64.95	48.42
	<u>431.63</u>	<u>196.69</u>
SCHEDULE - N		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
a) Share Issue Expenses	17.15	21.31
b) Deferred Expenditure	0.35	2.54
c) Preliminary Expenses	0.01	0.02
	<u>17.51</u>	<u>23.87</u>

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

	Year Ended 31-03-2008 Rs. in Million	Year Ended 31-03-2007 Rs. in Million
SCHEDULE - 1		
SALES / INCOME FROM OPERATIONS		
a) Sales / Erection of Towers, Structures & Components, Refractories	13,736.86	10,074.18
b) Conversion Charges	23.31	6.42
c) Residuals & Scrap	212.74	167.15
d) Income From Other Operations	63.67	18.20
	14,036.58	10,265.95
SCHEDULE - 2		
OTHER INCOME		
a) Interest	0.29	0.16
b) Lease Rentals / Management Fees	14.94	8.06
	15.23	8.22
SCHEDULE - 3		
COST OF MATERIALS		
a) Opening Stock	485.40	413.05
b) Add : Purchases	8,885.53	5,514.08
	9,370.93	5,927.13
c) Less : Closing Stock	396.55	485.40
	8,974.38	5,441.73
SCHEDULE - 4		
ERECTION AND SUB-CONTRACTING EXPENSES		
a) Construction Materials & Stores Consumed	358.90	502.28
b) Tools & Tackles Consumed	35.73	31.90
c) Sub-contracting Expenses	1,173.89	772.53
d) Repairs to Equipments / Machinery	8.38	8.47
e) Construction Transportation Charges	128.53	125.52
	1,705.43	1,440.70
SCHEDULE - 5		
(INCREASE) / DECREASE IN STOCK OF FINISHED AND SEMI-FINISHED GOODS		
a) Opening Stock	220.71	665.55
b) Less : Closing Stock	269.63	220.71
	(48.92)	444.84
SCHEDULE - 6		
PERSONNEL EXPENSES		
a) Salaries and Wages Including Bonus	278.51	211.44
b) Employee Compensation Expense - ESOS	42.89	34.40
c) Contribution to Provident & Other Funds	24.65	18.43
d) Welfare Expenses	12.27	12.38
	358.32	276.65

JYOTI STRUCTURES LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

	Year Ended 31-03-2008 Rs. in Million	Year Ended 31-03-2007 Rs. in Million
SCHEDULE - 7		
OPERATING AND OTHER EXPENSES		
a) Excise Duty	(11.63)	(7.82)
b) Stores & Consumables	33.70	33.12
c) Packing Materials	6.50	2.68
d) Power & Fuel	83.42	62.19
e) Conversion Expenses	116.51	84.91
f) Repairs to Buildings	8.19	4.31
g) Repairs to Plant & Machinery	16.94	11.63
h) Repairs to Others	7.35	5.93
i) Testing & Designing Expenses	11.53	12.45
j) Freight	181.01	125.46
k) Rent	18.37	10.75
l) Rates & Taxes	2.37	1.32
m) Insurance	38.09	34.26
n) Travelling & Conveyance	64.92	56.94
o) Postage, Telephone & Fax	20.57	16.39
p) Printing & Stationery	11.74	8.90
q) Professional & Legal Fees	20.26	16.50
r) Service Charges	90.97	67.60
s) Levies & Taxes	82.22	36.23
t) Directors' Fees	0.23	0.25
u) Auditors' Remuneration	1.36	1.10
v) Bank Charges & Guarantee Commission	115.35	131.81
w) Brokerage & Commission	13.41	39.79
x) Licence & Tender Fees	4.64	5.73
y) Forex Fluctuation Loss	16.24	9.60
z) General Expenses	27.75	34.86
aa) Donations	0.72	1.32
ab) Capital WIP Written Off	-	6.29
ac) Advances Written Off	-	9.15
ad) Pre Operative Expenses Written Off	-	3.78
ae) Loss on Sale of Fixed Assets	0.07	1.81
af) Loss on Sale of Investments	1.52	-
ag) Amortisation of Deferred Expenses	6.79	5.88
ah) Amortisation of Preliminary Expenses	0.01	0.01
ai) Diminution in values of Investments	-	21.75
	991.12	856.88
SCHEDULE - 8		
INTEREST		
a) On Term Loans	59.43	41.29
b) On Bank Loans	284.60	208.54
c) On Others	123.30	79.46
	467.33	329.29

SCHEDULE-O STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES OF THE CONSOLIDATED ACCOUNTS

1. Principles of Consolidation:

The Consolidated Financial Statements relate to Jyoti Structures Limited ("the Parent Company") and its majority owned subsidiary Companies. The Consolidated Financial Statements have been prepared on the following basis:

- The Consolidated Financial Statements are prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements" issued by ICAI.
- The financial statements of the Parent company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses; after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's financial statements.
- The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the parent company i.e. 31st March, 2008.

The list of Subsidiary Companies which are included in the consolidation and the parent company's holdings therein are as under:

Name of the Company	Percentage Holding (%)		Country of Incorporation
	2007-08	2006-07	
JSL Structures Ltd.	98.57%	98.57%	India
JSL Corporate Services Ltd.	100.00%	100.00%	India
Shree Chhatrapati Shahu Power Co. Ltd.	99.88%	99.88%	India
Jyoti Structures Africa (Pty.) Ltd.	70.00%	-	Africa

Jyoti Structures Africa (Pty.) Ltd. has started its operations in March 2008. As its first accounting period is not completed by 31st March, 2008 and its audited accounts are not available for the period, the investment in the company amounting to Rs. 419/- is declared at cost and the accounts of the company is not considered for consolidation.

2. Basis of preparation of Financial Statements:

The financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting and in compliance with accounting standards prescribed to the extent applicable.

3. Revenue Recognition:

- a) Sale of goods is recognised on completing the supplies as per Set / Completed Tower basis and upon raising commercial invoice. Sales include excise duty and adjustment for price variation and are net of claims accepted.
- b) In case of construction contracts, revenue is recognized as per percentage completion method and sales / income are booked on the basis of running bills based on completed work as per Accounting Standard – 7 and are net of claims accepted. Escalations and other claims which are not ascertainable / acknowledged by customers are not taken into account.
- c) Leasing income is accounted for on accrual basis.
- d) The insurance claims are accounted for on accrual basis based on fair estimation of possible sanction of claims by the insurance companies.
- e) Revenue from job work done is recognised on completion and dispatch of the billable quantities.

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4. Fixed Assets:

Fixed Assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use and less of accumulated depreciation.

5. Depreciation:

a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except on Fixed Assets of Ethiopia and Tunisia Branches.

b) On all Fixed Assets of Ethiopia Branch, the depreciation is provided on Written Down Value Method at the rates applicable in Ethiopia.

If the depreciation had been provided on all fixed assets of the Ethiopia Branch on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956; the profit of the Company would have been lower by Rs. 0.25 Million (P.Y. lower by Rs. 0.09 Million).

c) On all Fixed Assets of Tunisia Branch, the depreciation is provided on Straight Line Method at the rates applicable in Tunisia.

If the depreciation had been provided on all fixed assets of the Tunisia Branch on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956; the profit of the Company would have been higher by Rs. 0.02 Million (P.Y. lower by Rs. 0.008 Million).

d) Leasehold land is amortised over the period of lease.

6. Investments:

Investments are stated at cost, except where there is a diminution in value other than temporary in which case the carrying value is reduced to recognize the decline.

7. Inventories:

a) Raw Materials, Construction materials, Components and Stores & Spares are valued at lower of cost or net realisable value.

b) Cost of inventories has been determined by using the weighted average cost formula.

c) Work-in-progress is valued at cost including material cost and attributable overheads. Provision is made when expected realization is lesser than the carrying cost.

d) Finished goods are valued at cost or net realisable value whichever is lower and inclusive of excise duty.

e) Tools and tackles are valued at cost less amounts written off.

f) Scrap is valued at net realisable value.

8. Impairment of Assets:

Impairment loss if any is provided to the extent the carrying amount of asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and its value in use.

9. Amortisation:

a) Deferred Revenue Expenditure and Issue expenses:

Deferred Revenue Expenses and Expenses incurred for issue of Equity Shares made by the Company are written off over a period of 5 years in equal installments.

b) Cost of Stock Options:

The cost of employee stock options granted is recognised on issue of Stock options and such cost is amortised as per SEBI guidelines.

10. Government Grant:

The amount of government grant received as compensation for expenses is credited to Profit & Loss Account, under the head "Income From Other Operations".

11. Foreign Currency Transactions:

Transactions in foreign currencies, other than those covered by Forward Contracts, are accounted for at the exchange rates prevailing on the dates of transactions. Assets and Liabilities remaining unsettled at the end of the year, other than those covered by Forward Contracts are reported at the closing rates. Gains and Losses on translation and realised gains and losses on foreign currency transactions, are recognised in the Profit and Loss Account. Non-monetary items other than fixed assets denominated in a foreign currency are stated in terms of historical costs.

Foreign Branches: (Integral)

- a) Fixed assets are translated at the rates on the date of purchase / acquisition of assets.
- b) Monetary items are translated at the year end exchange rates which reflect the likely realization. Income and expenditure are translated on the average rate of exchange.
- c) The resultant exchange gains and losses are recognised in the profit and loss account.

12. Excise Duty:

The excise duty in respect of closing inventory of finished goods is included as part of inventory. The amount of Central Value Added Tax (CENVAT) credit in respect of materials consumed for sales is deducted from cost of materials consumed.

13. Employees' retirement and other benefits:

- a) Defined contribution plan:

The Company's contribution to Provident Fund and Superannuation Fund are charged to Profit and Loss Account.

- b) Defined benefit plan:

The Company's contribution to Gratuity Fund is towards premium on LIC's policy taken by the Trustees of the Fund to cover the gratuity liability. The company is liable to make further contribution in case funds in the hands of the trustees are not sufficient to meet the claims of the employees. The Management is of the opinion that the Gratuity funds will be sufficient to cover the future liability of gratuity and no further provision is required to be made on this account.

- c) The Bonus to employees is accounted for on accrual basis.
- d) The liability on account of Leave Encashment and Leave Travel Allowance is accounted for on accrual basis.
- e) The cost of employee stock option attributable to current financial year is accounted for and charged to profit & loss account.

14. Taxes on Income:

The current tax is determined as the amount of tax payable in respect of estimated taxable income for the period. Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income for a period that originate in one period and is capable of reversal in one or more subsequent periods.

Deferred tax asset are recognised only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

15. Earnings Per Share:

The basic earning per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

16. Provisions and Contingencies:

- a) A provision is recognized when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can

JYOTI STRUCTURES LIMITED

be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

- b) A disclosure for a contingent liability is made when there is a possible or present obligation that may but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

17. Employees Stock Option Scheme:

Stock option granted to the employees of the company under the Employees Stock Option Scheme are evaluated as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly excess of market value of the Stock Option as on date of grant over the exercise price of the Options is recognized as deferred employee compensation and is charged to profit & loss accounts as employee costs on straight line method over the vesting period of the Options.

SCHEDULE-P NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

1. Outstanding Contracts - Capital Account:

Estimated amount of contracts remaining to be executed on capital account and not provided for are Rs. 30.18 Million (P.Y. Rs. 12.21 Million). Advance paid Rs. 16.51 Million (P.Y. Rs. 1.98 Million).

2. Contingent Liabilities not provided for:

- a) Outstanding Performance Guarantees given by banks are Rs. 4,706.02 Million (P.Y. Rs. 3,208.61 Million).
b) Claims against Company / Disputed Liabilities not acknowledged as debts:

Sr.	Nature of Claims	Period to which the amount relates	2007-08 Rs. in Million	2006-07 Rs. in Million
1	Sales Tax (Tax/Penalty/Interest)	1994-06	4.74	12.20
2	The Central Excise Act	2002-06	25.81	28.53
3	The Income Tax Act	2000-01	1.85	-
4	Civil Cases	2004-05	7.44	7.44
	Total		<u>39.84</u>	<u>48.17</u>

3. Depreciation for the Current Year includes an additional charge of Rs. 0.24 Million on revalued Assets viz. Factory/ Office Buildings at Nasik and accordingly an equivalent amount has been transferred to Profit & Loss Account from the Revaluation Reserve Account.

4. Deferred Tax Liability (Net):

	Deferred Tax Liability/(Asset) as at 01.04.2007	Current year Charge/(Credit)	(Rs. in Million) Deferred Tax Liability/(Asset) as at 31.03.2008
Deferred Tax Liabilities:			
On account of Difference between book and tax depreciation	83.09	6.44	89.53
Deferred Tax Assets:			
On account of Unabsorbed Tax Loss	(27.98)	7.56	(20.42)
On account of tax credit u/s 115 JB of I Tax Act	-	(1.23)	(1.23)
Others	0.03	(0.03)	-
Deferred Tax Liability (Net)	55.14	12.74	67.88

5. Particulars in regard to bank balances with non-scheduled banks:

Name of the Bank	2007-08 Rs. in Million	2006-07 Rs. in Million
State Bank of Tunisia	2.33	0.12
National Bank of Abu Dhabhi, Dubai	0.81	-
Commercial Bank of Ethiopia	0.03	1.67
Bank of Bhutan	0.02	0.02
Bank of Bahrain and Kuwait	-	0.04

6. Disclosures in respect of Joint Ventures under the Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures":

	Share of Interest	
	2007-08 Rs. in Million	2006-07 Rs. in Million
a) Jointly Controlled Entities		
Gulf Jyoti International	20%	30%
b) Aggregate amount of assets, liabilities, income and expenditure related to interest in jointly controlled entities:		
Assets:		
Fixed Assets	110.16	2.93
Cash and bank balances	3.30	95.56
Inventories	1.41	-
Trade and other receivables	100.98	18.39
Loans and Advances	1.32	-
Current Liabilities	87.00	10.17
Non-current liabilities	80.44	0.05
Income	81.85	-
Expenditure	97.23	10.01

7. Forward Exchange Contracts which are not intended for trading or speculative purpose outstanding as at March 31, 2008 are as follows:

Currency	Buy/Sell	2007-08 Foreign Currency in Million	2006-07 Foreign Currency in Million
USD/INR	Buy	4.08	3.00

8. Disclosure in respect of the agreements entered into, after 1st April'2001 for taking on leave and license / under operating leases the residential / office premises and warehouses, including furniture and fittings and elevators therein, as applicable, and machinery, is given below:

- Lease payments are recognised in the Profit and Loss account for the year.
- Under some of the agreements, refundable interest free deposits have been given.
- Some of the agreements provide for increase in rent.
- Some of the agreements provide for early termination by either party with a notice period which varies from 15 days to 3 months.
- Some of the agreements contain a provision for its renewal.

JYOTI STRUCTURES LIMITED

9. Related Party Disclosures:

Related party disclosures as required by Accounting Standard 18, "Related Party disclosures", issued by the Institute of Chartered Accountants of India are given below:

1 Relationships (During the year)

(i) Key Management Personnel

K R Thakur - Managing Director

Prakash Thakur - Director

S V Nayak - Director

S S Karande

L H Khilnani - Director*

P M Pachhade - Director*

* no transactions during the year in the company in which they are related parties

(ii) Joint Venture

Gulf Jyoti International LLC

(iii) Associate

Val-Mir Construction Pvt. Ltd.

2 The following transactions were carried out with the related parties in the ordinary course of business.

Sr. Particulars	Type of Relationship	(Rs. in Million)	
		2007-08	2006-07
1 Remuneration Paid	1(i)	58.89	53.16
2 Investment made/(sold)	1(ii)	(25.86)	40.65
3 Outstanding Loan given / (taken) at the end of the year	1(ii)	35.29	30.09
4 Outstanding Loan given / (taken) at the end of the year	1(iii)	1.32	1.32

10. Information in accordance with the requirement of Accounting Standard - 7 (Revised) "Construction Contracts" issued by Institute of Chartered Accountants of India:

	(Rs in Million)	
	2007-08	2006-07
Contract revenue recognised during the year.	2,609.71	1,948.67
Method used to determine the contract revenue recognised and the stage of completion of contracts in progress.	Percentage Completion Method	
Disclosure in respect of contracts in progress as at the year end.		
Agregate amount of costs incurred and recognised profits (less recognised losses)	4,260.83	2,886.26
Advances received	171.39	208.21
Retentions receivable	421.94	383.33

11. Employees Stock Option Scheme:

On 3rd August, 2005, the company established Jyoti Structures Limited Employees Stock Option Scheme (ESOS) which was modified on 6.9.2005, 9.10.2006 and 31.03.2008. Under the Scheme, the company is authorized to issue upto 5,00,000 (Five lacs) Options convertible into 25,00,000 (Twenty Five lacs) equity shares of Rs.2/- each to employees. A Compensation Committee has been constituted by the Board of Directors of the Company to administer the Scheme.

Each option is at a grant price of Rs. 85/- each to be converted into 5 Equity shares of Rs. 2/- each at an exercise price of Rs. 17/- per Equity Share (being the exercise price adjusted after split of face value of shares from Rs. 10/- to Rs. 2/-). Under the scheme, 30% of the options vest at the end of one year from the

date of grant of the options, 30% at the end of the second year from the date of grant of options and the balance 40% at the end of third year from the date of grant of options.

The amount in Employee Stock Option Outstanding account of Rs. 101.12 Million (P.Y. Rs. 87.83 Million) represents discounts on the above said options outstanding.

An amount of Rs. 42.89 Million (P.Y. Rs. 34.40 Million) debited to Employee Compensation Expense – ESOS account representing the proportionate cost upto the year end has been charged to the revenue account.

The balance un-amortised portion of Rs. 50.39 Million (P.Y. Rs. 51.74 Million) being Deferred Employee Compensation Expense has been shown as reduction from Employees Stock Options outstanding in the Balance Sheet.

	2007-08 (In Numbers)	2006-07 (In Numbers)
Options Granted and outstanding at the beginning of the year	2,70,900	234,800
Options Granted during the year	42,650	111,650
Options Lapsed and / or withdrawn during the year	9,800	7,300
Options exercised during the year against which shares were allotted	97,390	68,250
Options granted and outstanding at the end of the year of which		
- Options Vested	2,820	-
- Options yet to Vest	203,540	270,900

12. Earnings Per Share (EPS):

	2007-08	2006-07
i) Profit / (Loss) after Tax (Rs. in Million)	745.15	554.65
ii) Weighted Average Number of Ordinary Shares for Basic Earning per Share (In Nos.)	80,899,327	76,615,350
ii) Weighted Average Number of Ordinary Shares for Diluted Earning per Share (In Nos.)	81,859,199	77,809,159
iii) Nominal value of Ordinary Share	Rs. 2/-	Rs. 2/-
iv) Basic Earning Per Ordinary Share	Rs. 9.21	Rs. 7.24
v) Diluted Earning Per Ordinary Share	Rs. 9.10	Rs. 7.13

13. The terms and conditions of various contracts being executed by the Company provide for clauses in respect of liquidated damages applicable for any delay in completion of the whole or a portion of the contracts. In case of a few contracts, where there have been such delays in completion of the contracts, the Company is currently negotiating with its customers for an extension of time for the delays attributable to customers to complete the contracts. It is currently uncertain as to whether the customers would grant the required extension of time and hence, the quantum of liquidated damages is also uncertain. As per the past experience, where the delays are due to reasons beyond the control of the Company, the approvals for time extensions are normally received from customers, which sometimes take more than reasonable time. As such, no provision on this account has been made in the books of account.

14. The Company had invested Rs. 21.50 Million in AES Orissa Distribution Pvt. Ltd. and Rs. 0.25 Million in Premium Financial Services Ltd. Full provision for the same was made in the accounts in the previous year. In the current year the investment is written off from the books.

15. During the year there have been inter company sales and purchases and also transfer of assets. No cognisance of the unrealized profit on the same is taken in consolidated profit and loss account as the amount involved is not material as compared to consolidated profit of the company.

16. The Provision for Income Tax amounting to Rs. 366.68 Million (P.Y. Rs. 148.27 Million) as stated in the balance sheet is net of Advance tax, Tax Deducted at Source and other adjustments.

17. Sundry Creditors for goods / services include Rs. 97.43 Million, (P.Y. Rs. 64.54 Million) being amounts payable beyond one year, mainly consisting of retentions.

JYOTI STRUCTURES LIMITED

18. Segment wise Report

(Rs. in Million)

Sr	Particulaes	2007-08			2006-07		
		Power Transmission	Others	Total Consolidated	Power Transmission	Others	Total Consolidated
1)	Segment Revenue	13,753.50	0.04	13,753.54	9,716.56	52.44	9,769.00
	Less : Inter-segment Revenue			-			36.99
	Net Sales/Income from Operations			13,753.54			9,732.01
2)	Segment Results						
	Profit/(Loss) before tax & Interest	1,701.27	(0.08)	1,701.19	1,203.94	7.88	1,211.82
	Less : Interest Expense			467.33			329.29
	Total Profit / (Loss) before Tax			1,233.86			882.53
	Income Tax (Current+FBT+Deferred)			488.71			327.88
	Total Profit / (Loss) after Tax			745.15			554.65
3)	Other Information						
	Segment Assets	9,134.59	34.99	9,169.58	7,209.23	161.01	7,370.24
	Segment Liabilities	5,647.88	1.62	5,649.50	4,398.15	145.84	4,543.99
	Capital Employed	3,486.71	33.37	3,520.08	2,811.08	15.17	2,826.25
4)	Depreciation	72.02	-	72.02	58.16	1.23	59.39
5)	Non Cash Expenditure other than Depreciation	8.29	0.09	8.38	44.87	3.80	48.67

Notes :

- Other business segment comprise of Finance. (in P.Y. business sigment comprised of Refractories, Building Structures and Finance.)
- Transactions between segments are primarily for materials and job work, which are transferred at market-determined prices.

19. Current assets and Current liabilities stating receivables and payables are subject to confirmation.

20. Figures pertaining to subsidiary companies have been reclassified wherever necessary to bring them in line with the parent Company's financial statements.

21. Previous Year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report attached

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

For and on behalf of the Board

R M AJGAONKAR
Partner
Membership No. 31927
Mumbai, 2nd May, 2008

L H KHILNANI
Company Secretary

K R THAKUR
Managing Director

S D KSHIRSAGAR
Chairman

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

		Year Ended 31-03-2008 Rs. in Million	Year Ended 31-03-2007 Rs. in Million
I CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Taxes and Extraordinary Items	[A]	1,233.86	882.53
ADJUSTMENTS FOR			
i) Depreciation		72.02	59.39
ii) Interest		467.33	329.29
iii) Net (Profit)/Loss on sale of Fixed Assets		0.07	1.81
iv) Net (Profit)/Loss on sale of Investments		1.52	-
v) Amortisation of Deferred Expenses		6.79	5.88
vi) Employee Stock Option Scheme		42.89	34.40
vii) Dimunation in value of Investments		-	21.75
viii) Capital WIP W/Off		-	6.29
ix) Advances W/Off		-	9.15
x) Pre-Operative Expenses W/Off		-	3.78
xi) Amortisation of Preliminary Expenses		0.01	0.01
	[B]	590.63	471.75
Operating Profit before Working Capital changes	[A+B] = [C]	1,824.49	1,354.28
ADJUSTMENTS FOR			
i) Inventories		25.64	400.32
ii) Other Current Assets		(1,667.99)	(1,969.86)
iii) Current Liabilities		444.30	170.59
	[D]	(1,198.05)	(1,398.95)
Cash generated from Operations	[C+D] = [E]	626.44	(44.67)
ADJUSTMENTS FOR			
i) Taxation		(487.01)	(334.81)
	[F]	(487.01)	(334.81)
Cash Flow before Extraordinary Items	[E+F] = [G]	139.43	(379.48)
EXTRAORDINARY ITEMS			
i) Prior Period Adjustments		-	0.15
ii) Excess/ (Short) Provision of Taxes for earlier years		(45.57)	(4.86)
	[H]	(45.57)	(4.71)
Net Cash from Operating Activities [I]	[G+H]	93.86	(384.19)
II CASH FLOW FROM INVESTING ACTIVITIES			
i) Sale of Fixed Assets		0.67	13.12
ii) Purchase of Fixed Assets		(163.31)	(114.70)
iii) Increase in Capital Work-in-Progress		(3.82)	(0.18)
iv) Purchase of Investments		(0.50)	(41.15)
v) Proceeds from Redemption of Investments		24.34	-
vi) Net Advances to Companies Other than Subsidiaries		(21.68)	(30.09)
Net Cash used in Investing Activities [II]		(164.30)	(173.00)

JYOTI STRUCTURES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year Ended 31-03-2008 Rs. in Million	Year Ended 31-03-2007 Rs. in Million
III CASH FLOW FROM FINANCING ACTIVITIES		
i) Proceeds from Issue of Equity Share Capital (inclusive of Share Premium and after considering ESOS allotted to employees)	8.49	1,019.24
ii) Repayment of Long Term Borrowings	(63.29)	(118.17)
iii) Sales Tax Deferments	(14.16)	(1.84)
iv) Net Increase/(Decrease) in Short Term Borrowings from Banks & Others	729.72	130.25
v) Proceeds from Asset Finance from Banks	-	2.35
vi) Repayment of Asset Finance from Banks	(9.29)	(11.65)
vii) Proceeds from Asset Finance from Financiers	3.06	0.46
viii) Repayment of Asset Finance from Financiers	(4.59)	(3.18)
ix) Equity Share Dividend	(64.95)	(48.42)
x) Interest paid	(467.33)	(329.29)
xi) Deferred Expenses Incurred	(0.44)	(28.64)
Net Cash from Financing Activities [III]	117.22	611.11
Net Increase/(Decrease) in Cash and Cash Equivalents I + II + III	46.78	53.92
Cash and Cash Equivalents at the beginning of the year	93.20	39.28
Cash and Cash Equivalents at the end of the year	139.98	93.20

As per our report attached

For **R M AJGAONKAR & ASSOCIATES**
Chartered Accountants

For and on behalf of the Board

R M AJGAONKAR
Partner
Membership No. 31927
Mumbai, 2nd May, 2008

L H KHILNANI
Company Secretary

K R THAKUR
Managing Director

S D KSHIRSAGAR
Chairman



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