

J. K. INVESTO TRADE (INDIA) LIMITED



Fifty Fifth Annual Report & Accounts 2002-2003

J. K. INVESTO TRADE (INDIA) LIMITED

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DIRECTORS

SHRI VIJAYPAT SINGHANIA *Chairman*

SHRI M. R. SHROFF

SHRI GAUTAM HARI SINGHANIA

SHRI H. P. KEDIA

SHRI P. R. JAIN (w.e.f. 24.4.03)

SHRI R. K. GANERIWALA
Whole-time Director (w.e.f. 24.4.03)

AUDIT COMMITTEE

SHRI M.R.SHROFF *Chairman*

SHRI GAUTAM HARI SINGHANIA

SHRI H. P. KEDIA

BANKERS

STATE BANK OF INDIA

PUNJAB NATIONAL BANK

AUDITORS

MESSRS. LODHA & CO.

Chartered Accountants

REGISTERED OFFICE

NEW HIND HOUSE,
3, NAROTTAM MORARJEE MARG,
BALLARD ESTATE,
MUMBAI 400 001.

J. K. INVESTO TRADE (INDIA) LIMITED

NOTICE

NOTICE is hereby given that the 55th Annual General Meeting of J. K. INVESTO TRADE (INDIA) LIMITED will be held on Monday, the 9th June, 2003 at 3.30 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2003 and the Profit and Loss Account for the year ended as on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Gautam Hari Singhania, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint and to fix the remuneration of Messrs. Lodha & Company, Chartered Accountants, as Auditors of the Company from the conclusion of this meeting till the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri P.R. Jain, who was appointed as an Additional Director by the Board of Directors of the Company, pursuant to Article 160 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri R.K. Ganeriwala, who was appointed as an Additional Director by the Board of Directors of the Company, pursuant to Article 160 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendments or modifications thereof, consent of the members be and is hereby accorded for the appointment of Shri R.K. Ganeriwala as Whole-time Director of the Company for a period of three years with effect from April 24, 2003 on terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period) as set out in the draft agreement of appointment placed before the meeting and on such remuneration as set out in Explanatory Statement attached to this Notice."

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to the Remuneration Committee to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Article of Association of the Company is hereby altered as follows:

1. **AMENDMENT OF ARTICLE 2 BY ADDITION OF FOLLOWING SUB-CLAUSES AT APPROPRIATE PLACES.**

"Beneficial Owner" means beneficial owner as defined under clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996;

"Depositories Act, 1996" shall include any statutory modification or re-enactment;

"Member" means the duly registered holder from time to time of the shares of the company and includes the subscribers to the Memorandum of Association of the company and the Beneficial owner(s) as defined in clause (a) of sub-section 2 of the Depositories Act, 1996;

J. K. INVESTO TRADE (INDIA) LIMITED

"Bye- Laws" means bye-laws made by a Depository under section 26 of the Depositories Act;

"Record" includes the records maintained in the form of books or stored in computer or in such other form as may be determined by regulation made by SEBI in relation to the Depositories Act, 1986;

"Regulations" means the regulation made by the SEBI ;

"Security" means such security as may be specified by the SEBI and

"SEBI" means Securities and Exchange Board of India."

2. INSERTION OF FOLLOWING NEW ARTICLES 51A, 51B, 51C, 51D, 51E, 51F AND 51G AFTER ARTICLE 51.

"51A - Register of Transfers"

"The company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Act and the Depositories Act, with details of shares held in material and dematerialized forms in any media as may be permitted by law, including in any form of electronic media. The company shall be entitled to keep in any state or country outside India a branch Register of Members resident in that state or country."

"51B - Dematerialization of Shares"

"Notwithstanding anything contained in these Articles, the company shall, in accordance with the provisions of the Depositories Act, be entitled to dematerialize any or all its shares held with the Depository and/or offer the shares for subscription in a dematerialized form pursuant to the Depositories Act."

"51C - Register and Index of Members"

"The Company shall be required to maintain a Register and Index of Members in accordance with the Section 150 and 151 of the Act and the Depositories Act, with the details of shares held in materialized and dematerialized forms in any media (including electronic media) as may be permitted by law. The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act shall be deemed to be the Register and Index of Members holding shares in a dematerialized form for the purpose of the Act."

"51D - Recognition of the Rights of Beneficial Owners"

"Save as herein otherwise provided, the company shall be entitled to treat the person whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly the company shall not (except by an order of a court of competent jurisdiction or as required by law) be bound to recognize any benami trust or equitable, contingent or other interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof. Provided further that the Depository as the registered owner shall not have any voting rights or any other rights in respect of the shares held by the Depository and the beneficial owner shall be entitled to all such voting rights and other rights and benefits in respect of its shares held with a Depository."

"51E - Applicability of Depositories Act."

"Notwithstanding anything provided hereinabove, in the case of transfer of shares, where the company has not issued any certificates and where such shares, are being held in any electronic and fungible form the provisions of the Depositories Act apply and accordingly Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of shares, on behalf of the beneficial owner. Furthermore, nothing contained in Section 108 of the Act or in these Articles shall apply to a transferor or transferee, both of whom are entered as Beneficial Owners in the records of a Depository."

"51F - Non-applicability of certain provisions of the Act"

"In respect of shares, held by the Depository on behalf of the beneficial owner, the provisions of the Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall not Apply."

"51G - Distinctive Numbers of Shares held with a Depository"

"Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for the shares issued by the company shall apply to shares held with a Depository"

REGISTERED OFFICE :

New Hind House
3 N.M. Marg
Ballard Estate
Mumbai 400 001
24th April 2003

By Order of the Board
For J. K. INVESTO TRADE (INDIA) LIMITED

R. K. GANERIWALA
Whole-time Director

J. K. INVEST TRADE (INDIA) LIMITED

NOTES:

- i. A MEMBER OF A COMPANY ENTITLED TO ATTEND AND VOTE AT A MEETING SHALL BE ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A MEMBER OR NOT) AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. MEMBERS ARE REQUESTED TO DEPOSIT THE PROXY FORM NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
- ii. Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out under items No. 4 to 7 is annexed hereto.
- iii. The Register of Members and the Share Transfer Books shall remain closed from Tuesday, 3rd June 2003 to Saturday, 7th June 2003, both days inclusive.
- iv. Members are requested to intimate the change in their address, if any.
- v. Members are requested to intimate their queries, if any, relating to the accounts or any other matters atleast seven days in advance so that the information can be made readily available and furnished at the meeting.
- vi. Shri Gautam Hari Singhania, a graduate from the University of Mumbai is the Director of the Company since June 1990. His long association with the Company has helped the Company a lot.

His other directorship/membership is as follows :

He is the Chairman & Managing Director of Raymond Limited and also member of its Share Transfer Committee and Remuneration Committee. He is also Director in J.K. Helens Curts Limited, J.K. Investors (Bombay) Ltd., Raymond Apparel Ltd., J.K. Ansell Ltd., Hindustan Files Ltd., Aqualine Marine India Ltd., Raymond Infotech Ltd., Raymond Technologies Solutions Ltd., J. K. (England) Ltd., London.

- vii. Particulars in respect of Shri P.R. Jain and Shri R.K. Ganeriwala are given in the Explanatory Statement.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Shri P. R. Jain was appointed as an Additional Director of the Company by the Board of Directors at the Board Meeting held on 24th April, 2003. He is a graduate and LLB and also a Member of the Institute of Chartered Accountants of India as well as the Institute of Company Secretaries of India. He has rich industry experience spread over more than three decades.

The other Directorship of Shri P.R. Jain is as follows :

He is a Director in Impax (India) Limited, J.K. Telecom Ltd., J.K. Investors (Bombay) Ltd., Tiger Tours & Travels Ltd., Pashmina Holdings Ltd., Peoples Investments Ltd., Regency Apparels Pvt. Ltd., Taarini Fininvest Pvt.Ltd., Gautvani Fininvest Pvt.Ltd., Rishabh Exports Pvt. Ltd. , Silver Soaps Pvt. Ltd., and Integrated Property Management & Services Ltd.

Except for Shri P.R. Jain no other Director of the Company is concerned or interested in the said resolution.

The Board commend approval of the resolution.

Item No. 5

Shri R. K. Ganeriwala was appointed as an Additional Director of the Company by the Board of Directors at the Board Meeting held on 24th April, 2003.

Shri R.K. Ganeriwala is a commerce graduate and a Member of the Institute of Chartered Accountants of India. He has rich experience and was overall in charge of the Company's operations for the last 8 years. Prior to his appointment as Whole-time Director, Raymond Limited deputed him as Director Finance of the Company where he was handling matters relating to finance, taxation and portfolio management for the last 24 years.

The other directorship of Shri R.K. Ganeriwala is as under :

He is a Director in Radha Krishna Films Limited, Polar Investments Ltd., Peoples Investments Limited.

Except for Shri R.K. Ganeriwala no other Director of the Company is concerned or interested in the said resolution.

The Board commend approval of the resolution.

Item No. 6

This item relates to the approval of the terms of appointment and remuneration of Shri R.K. Ganeriwala as Whole-time Director for a period of 3 years with effect from 24th April 2003 and terms and conditions of his appointment and his remuneration. Particulars of his remuneration are as under :

Salary : Rs.1,00,000 per month in the scale of Rs.1,00,000 – 1,50,000 with authority to the Board of Directors of the Company to grant such increments within the said scale as it may determine from time to time.

Perquisites : Perquisites are classified into three categories viz. 'A', 'B' and 'C' as follows :

CATEGORY - A

- (i) Housing : The Whole-time Director shall be entitled to House Rent Allowance not exceeding 10 % of the salary.
- (ii) Medical Reimbursement : Expenses incurred for the Whole-time Director and his family as per Company Rules.
- (iii) Leave Travel Concession : For self and his family, once a year, incurred as per Company Rules
- (iv) Performance incentive at the discretion of the Board.

CATEGORY - B

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.
- (ii) Gratuity payable shall be calculated as per the provisions of The Payment of Gratuity Act, 1972.
- (iii) Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

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CATEGORY - C

Provision of car for use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company.

Where in any financial year the Company has no profits or its profits are inadequate, the remuneration payable will be in accordance with the provisions of Section II of Part II of Schedule XIII to the Act, as may be amended from time to time.

The Remuneration Committee/Board of Directors of the Company has the discretion and authority to alter and vary the foregoing terms and conditions of appointment (including remuneration to be paid in the event of loss or inadequacy of profit in any financial year or otherwise) subject to the overall ceiling specified in Schedule XIII to the Act, or any amendment thereto or re-enactment thereof, in such manner as it may deem fit.

The terms and conditions of appointment and remuneration payable to Shri R. K. Ganerwala as Whole-time Director should be treated as an abstract under section 302(1) of the Companies Act, 1956.

I. General Information:

1. Nature of Industry: The Company is an Investment Company registered as Non Banking Finance Company with Reserve Bank of India.

2. Date or expected date of commencement of commercial production :

The Company was incorporated on 29th April 1947. The Company was formerly a chemical manufacturing Company. After cessation of chemical manufacturing activities, the Company set-up a plant for manufacture of latex contraceptives. The entire latex contraceptive business was transferred to a Joint Venture Company in 1996. Thereafter the Company's main business is investment in shares and securities.

3. Financial performance based on given indicators - as per published audited financial results for the year ended March 31, 2003.

Particulars	Rs. in lacs March 31, 2003	Rs. in lacs March 31, 2002
Sales	237.36	173.21
Other income	9.67	10.49
Total Income	247.03	183.70
Expenditure	87.91	89.09
Profit before tax	159.12	94.61
Provision for tax incl. Deferred tax	48.41	3.37
Profit after tax	110.71	91.24

II. Information about the appointee :

i. Background details : Background details of the appointee is mentioned herein before under Item No. 5.

ii. Past remuneration for the financial year 2002-2003:

Particulars	2002-2003
Salary per annum	11,35,800
Perquisites (p.a.) (House Rent, Leave Travel, Medical allowance etc.)	2,47,050
Performance bonus	41,387

Note: Contribution to Provident Fund, Superannuation Fund and Gratuity Fund are excluded from the above remuneration.

iii. Job profile and his suitability:

Shri R.K. Ganerwala joined Raymond Limited as Manager (Taxation) in December 1978. Over the years he became well versed and adept not only in matters concerning taxation, finance and investment management but also in the field of business management with special emphasis on finance. In a short span of time he became

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a member of the core group of the senior management of the company and over the years assumed organisational role much beyond his functional brief. Considering his contribution, display of leadership and sense of commitment, he was entrusted with complete responsibility for management of the affairs of the Company. Looking at his overall experience and potential, he was designated Director - Finance in 2002.

Shri R. K. Ganeriwala has been effectively discharging his responsibilities which are broadly to achieve strategic, operational and financial goals.

IV. Remuneration proposed :

Particulars	2003-2004
Salary per annum	12,00,000
Perquisites (p.a.) (House Rent, Leave Travel, Medical allowance etc.)	2,70,000
Performance incentive	At the discretion of the Board

Note: Contribution to Provident Fund, Superannuation Fund and Gratuity Fund are excluded from the above remuneration.

III. Other information

1. Reasons of loss or inadequate profits: During the year 2002-2003 the Capital market has not come out of the troubled waters. Both the primary and secondary markets remained dull throughout the year. The falling interest rates also curtailed investment options to large extent. In spite of these adverse factors the Company earned a net profit of Rs. 110.71 lacs.
2. Steps taken or proposed to be taken for improvement: The Company is on the look out for good investment opportunities. However, much depends on the external factors affecting the capital market.
3. Expected increase in productivity and profits in measurable terms: In an investment oriented company it is not possible to indicate profits in measurable terms as very much depends on investment climate and economic conditions prevailing during the year.

Item No. 7

Consequent upon the passing of the Depositories Act, 1996 certain provisions in the Articles of Association of the company pertaining the issue, holding transfer and other dealings in shares and securities and also issue of certificate hereof which were framed on the basis of the relevant provisions of the Companies Act, 1956, are being amended so as to facilitate the functioning of the Depository system. The Board has proposed a resolution making alterations in the Articles of Association of the company pertaining to the issue, holding and dealing in scrip less shares and securities so as to bring them in line with the relevant provisions of the Depository Act and to give effect thereto.

None of the Directors of the company, is in any way, concerned or interested in the said resolution. Directors recommend the resolution for approval of members.

By Order of the Board
For J. K. INVESTO TRADE (INDIA) LIMITED

Mumbai
24th April, 2003

R. K. GANERIWALA
Whole-time Director

J. K. INVESTO TRADE (INDIA) LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting their 55th Annual Report for the year ended 31st March 2003.

FINANCIAL RESULTS

	Year ended 31.3.2003 (Rs. in lacs)	Previous Year ended 31.3.2002 (Rs. in lacs)
Income during the year	247.03	183.70
Depreciation	1.21	0.67
Interest	15.76	3.93
Provision for taxation	46.25	0.54
Profit during the year	110.71	91.24
Profit brought forward	204.27	150.38
Transferred to Capital Redemption Reserve Account	-	37.35
Profit carried forward to Balance Sheet	314.98	204.27

PERFORMANCE DURING THE YEAR

The dividend income during the year was higher at Rs.140.67 lacs from Rs.112.83 lacs in the previous year. Similarly rental income from premises was higher at Rs.68.53 lacs compared to Rs.45.14 lacs in the previous year.

Redeemable Preference Shares are due for redemption on 15th June 2003. The redemption amount together with arrears of dividend due thereon will absorb Rs.53 lacs.

DIVIDEND

The Directors consider it prudent to conserve resources and regret inability to declare any dividend on equity shares. The dividend (including arrears) on preference shares shall be paid at the time of redemption on 15th June, 2003.

PERFORMANCE OF JOINT VENTURE COMPANY - J.K. ANSELL LIMITED

During the year under review the turnover of J.K. Ansell Ltd., was marginally higher at Rs.4,564 lacs (previous year Rs.4,442 lacs). The profit after tax was significantly higher at Rs.410 lacs (previous year Rs.315 lacs).

SUBSIDIARY

The turnover of our subsidiary, J.K. Helene Curtis Limited, has jumped from Rs.3,520 lacs to Rs.4,453 lacs. However, due to severe competitive market conditions, profit before tax has not increased proportionately. It has increased marginally from Rs.225 lacs to Rs.255 lacs.

ACCOUNTING STANDARDS

The accounts have been prepared as per the applicable Accounting Standards and necessary disclosures have been made in the annual accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that :

- (i) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure, if any ;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgements 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 and loss of the company for that period;

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(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ETC.

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 is not applicable.

PUBLIC DEPOSIT

The Company has not accepted any deposit from the public during the year under review.

PERSONNEL

There is no employee whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956.

DIRECTORS

Shri Gautam Hari Singhania, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Shri P. R. Jain and Shri R.K. Ganeriwala have been appointed as additional Directors and hold office till the conclusion of 55th Annual General Meeting. Shri R.K. Ganeriwala has also been appointed as Whole-time Director effective from 24th April, 2003. Your Directors recommend their appointment.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance and Certificate from the Auditors of the Company is given in the Annual Report.

AUDITORS

The Company's Auditors, Messrs. Lodha & Company, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint Auditors and fix their remuneration.

Mumbai
April 24, 2003

For and on behalf of the Board

M.R. SHROFF
GAUTAM HARI SINGHANIA
Directors