

# **J. K. INVESTO TRADE (INDIA) LIMITED**



***Fifty Sixth Annual Report & Accounts 2003-2004***

# J. K. INVESTO TRADE (INDIA) LIMITED

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### DIRECTORS

Dr. VIJAYPAT SINGHANIA *Chairman*  
 SHRI M. R. SHROFF (upto 18.07.2003)  
 SHRI GAUTAM HARI SINGHANIA  
 SHRI H. P. KEDIA (upto 18.07.2003)  
 SHRI P. R. JAIN (w.e.f. 24.04.2003)  
 SHRI NABANKUR GUPTA  
 (w.e.f. 18.07.2003)  
 SHRI R. K. GANERIWALA  
 Whole-time Director (w.e.f. 24.04.2003)

### AUDIT COMMITTEE

SHRI NABANKUR GUPTA  
 (w.e.f. 18.07.2003)  
 SHRI M. R. SHROFF (upto 18.07.2003)  
 SHRI GAUTAM HARI SINGHANIA  
 SHRI H. P. KEDIA (upto 18.07.2003)  
 SHRI P. R. JAIN (w.e.f. 1.07.2003)

### BANKERS

STATE BANK OF INDIA  
 PUNJAB NATIONAL BANK

### AUDITORS

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 56<sup>th</sup> Annual General Meeting of J. K. INVESTO TRADE (INDIA) LIMITED will be held on Monday, the 5th July, 2004 at 3.30 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2<sup>nd</sup> 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 31<sup>st</sup> March 2004 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 P. R. Jain, 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.
4. To declare dividend on equity shares.

### SPECIAL BUSINESS

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

**"RESOLVED THAT** Shri Nabankur Gupta, who was appointed a Director of the Company to fill in the casual vacancy caused by the resignation of Shri M.R. Shroff, and who vacates office at this meeting under Section 262 of the Companies Act, 1956 but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

### REGISTERED OFFICE:

New Hind House  
3 N.M. Marg  
Ballard Estate  
Mumbai 400 001  
May 5, 2004

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

R. K. GANERIWALA  
Whole-time Director

# J. K. INVESTO 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 resolution set out under item No 5 is annexed hereto.
- iii. Particulars of Shri P. R. Jain and Shri Nabankur Gupta are given in the explanatory statement.
- iv. The Register of Members and the Share Transfer Books shall remain closed from Tuesday, 22nd June, 2004 to Monday, 5th July, 2004, both days inclusive.
- v. Members are requested to intimate the change in their address, if any.
- vi. 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.
- vii. The Company has appointed MCS Limited as the Registrar & Share Transfer Agent for transfer of shares, both in physical and electronic mode. Their address is as under :  
  
MCS Limited, Sri Venkatesh Bhavan, Plot No. 27, Road, No. 11, MIDC Area, Andheri (East), Mumbai 400 093  
  
The shareholders may send their transfer requests and other share related queries either to the Company at the registered office or MCS Limited at the above address.
- viii. The dividend as recommended by the Board, if sanctioned at the meeting, will be paid on or after 8th July, 2004 to those members whose names appear on the Company's Register of Members on 5th July, 2004 in respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- ix. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at MCS Limited, Sri Venkatesh Bhavan, plot No. 27, Road No. 11, Andheri (East), Mumbai 400 093 in respect of their physical share folios, if any.

# J. K. INVESTO TRADE (INDIA) LIMITED

## ANNEXURE TO THE NOTICE

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

#### Item No. 2

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 Member of the Institute of Chartered Accountants of India as well as the Institute of Company Secretaries of India and has rich industry experience spread over three decades.

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

He is a Director in J. K. Investors (Bombay) Ltd., Pashmina Holdings Ltd., Tiger Travels & Tours Ltd., Impex (India) Ltd, Peoples Investments Ltd, Integrated Property Management & Services Ltd, Radha Krishna Films Ltd, Regency Apparels Pvt. Ltd., Rishabh Exports Pvt. Ltd., Silver Soaps Pvt. Ltd., and Acme Plastic Pvt. Ltd.

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

The Board commends approval of the resolution.

#### Item No. 5

On 18<sup>th</sup> July, 2003, the Board of Directors appointed Shri Nabankur Gupta as a Director in the casual vacancy caused by the resignation of Shri M.R. Shroff under Section 262 of the Companies Act, 1956. Shri Nabankur Gupta holds office upto the date of the ensuing annual general meeting of the Company. A notice under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Shri Nabankur Gupta as a candidate for the office of Director.

Shri Nabankur Gupta aged 56 years is a graduate from IIT, Delhi in Electrical & Electronics Engineering. Shri Nabankur Gupta joined Raymond Limited as Group President on August 1, 2000. Shri. Nabankur Gupta possesses vast, rich and varied experience of over three decades in project management and marketing of consumer durables. Shri Nabankur Gupta pioneered the concept of sub-branding and subsequently, multi-branding in the area of consumer durable for the first time in India. Shri Nabankur Gupta was the first Indian to receive recognition by the Advertising Age International, New York, in 1995 with the title of "Marketing Superstar". Shri Nabankur Gupta is also a Director of ColorPlus Fashions Ltd and Plugin Sales Private Ltd.

By Order of the Board

Mumbai  
5<sup>th</sup> May, 2004

R. K. GANERIWALA  
Whole-time Director

# J. K. INVESTO TRADE (INDIA) LIMITED

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting their 56<sup>th</sup> Annual Report for the year ended 31<sup>st</sup> March 2004.

### FINANCIAL RESULTS

	Year ended 31.3.2004 (Rs. In lacs)	Year ended 31.3.2003 (Rs. in lacs)
Income during the year	260.14	247.03
Depreciation	1.39	1.21
Interest	6.28	15.76
Provision for taxation	0.54	48.41
Profit during the year	168.03	110.71
Profit brought forward	314.98	204.27
Dividend including tax paid on Preference shares redeemed	18.93	-
Proposed Dividend on Equity shares (including Tax)	82.60	-
Profit carried forward to Balance Sheet	381.48	314.98

### PERFORMANCE DURING THE YEAR

The dividend income during the year was higher at Rs.157.07 lacs from Rs.140.67 lacs in the previous year.

### REDEMPTION OF PREFERENCE SHARES

Preference Shares of Rs. 37,35,000/- were fully redeemed on 15<sup>th</sup> June, 2003 and dividend thereon upto the date of redemption has been paid.

### DIVIDEND

Your Directors are pleased to recommend dividend of Re.1/- per share on equity capital (Previous year Rs. Nil).

### PERFORMANCE OF JOINT VENTURE COMPANY – J.K. ANSELL LIMITED

During the year under review the turnover of J.K. Ansell Ltd., was substantially higher at Rs. 5498 lacs (previous year Rs.4564 lacs). The profit after tax was significantly higher at Rs. 883.19 lacs (previous year Rs. 398.48 lacs)

### SUBSIDIARY

The turnover of our subsidiary, J.K. Helene Curtis Limited, has jumped from Rs.4233 lacs to Rs. 5478 lacs. However, due to severe competitive market conditions, profit after tax has not increased proportionately. It has increased from Rs.159 lacs to Rs. 197 lacs.

### ACCOUNTING STANDARDS

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

# J. K. INVESTO TRADE (INDIA) LIMITED

## 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;
- (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.

## DEMATERIALIZATION OF SHARES

The process of dematerialisation of equity shares of the Company has been completed and MCS Limited have been appointed as common share transfer registry for transfer of shares, both in physical and electronic mode.

## PUBLIC DEPOSIT

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

## LABOUR DISPUTE

The long-standing dispute has been disposed off by the Bombay High Court on 8<sup>th</sup> January, 2004 in favour of the Company.

## PERSONNEL

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

## DIRECTORS

Shri P. R. Jain, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment. The Board appointed Shri Nabankur Gupta in the casual vacancy caused due to the resignation of Shri M.R. Shroff on 18<sup>th</sup> July, 2003, who holds office till the conclusion of this Annual General Meeting. The Company has received a notice from a member proposing the candidature of Shri Nabankur Gupta as a candidate for the office of Director, subject to retirement by rotation. Shri H. P. Kedia, Director, resigned from the Board with effect from 18th July, 2003.

# J. K. INVESTO TRADE (INDIA) LIMITED

The Board places on record its appreciation for the contribution made by Shri M.R. Shroff and Shri H.P. Kedia during their tenure as Directors.

## 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.

For and on behalf of the Board

Mumbai  
May 5, 2004

**DR. VIJAYPAT SINGHANIA**  
Chairman

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# J. K. INVESTO TRADE (INDIA) LIMITED

## CORPORATE GOVERNANCE REPORT

### A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and others. The Company is prompt in discharging its statutory obligations and duties. The Board of Directors has had adequate representation of the professional, qualified, non-executive and independent Directors. The Board has constituted various committees of Directors for proper and effective disposal of the matters.

The meeting of the Board and Committees are being held frequently as required. All the Directors attending the Board and Committee Meetings are provided with full details of information and they actively participate in the proceedings. Decisions of the meetings are taken unanimously.

### BOARD OF DIRECTORS

The Board of the Company consists of five Directors. The details of composition and categories of the Directors and also the number of other Board of Directors or Board Committees of which he is a member/ Chairperson are as under:

Table I

Name of Director	Category of Directorship	No. of outside Directorships	No. of outside Committee positions held	
			Chairman	Member
Dr. Vijaypat Singhania Chairman	Promoter, Non-Executive	9	Nil	Nil
Shri Gautam Hari Singhania Director	Promoter, Non-Executive	10	Nil	2
Shri Nabankur Gupta (*) Director	Independent Non-Executive	3	Nil	Nil
Shri P. R. Jain Director	Independent Non-Executive	7	Nil	Nil
Shri R. K. Ganeriwala	Whole-time Director	3	Nil	Nil
Shri M. R. Shroff (**) Director	Independent Non-Executive			
Shri H.P. Kedia (**) Director	Independent Non-Executive			

(\*) appointed a director with effect from 18<sup>th</sup> July, 2003

(\*\*) ceased to be director with effect from 18<sup>th</sup> July, 2003

### BOARD PROCEDURE

During the financial year 2003-2004, four meetings of the Board of Directors were held on April 24, 2003, July 18, 2003, October 22, 2003 and January 28, 2004.

Details of the Meetings of Board of Directors, Audit-Committee, Share Transfer Committee and Investment Committee held during the financial year 2003-2004 are given below.

# J. K. INVESTO TRADE (INDIA) LIMITED

## ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Table 2

Name of the Director	No. of Board meetings attended	Attendance at the last Annual General Meeting held on 9.6.2003
Dr. Vijaypat Singhania	4	Present
Shri Gautam Hari Singhania	4	Absent
Shri Nabankur Gupta (*)	3	Absent
Shri P. R. Jain (**)	4	Present
Shri R.K. Ganeriwala (**)	4	Present
Shri Minoo R. Shroff (***)	1	Absent
Shri H.P. Kedia (***)	Nil	Absent

(\*) appointed with effect from 18<sup>th</sup> July, 2003

(\*\*) appointed with effect from 24<sup>th</sup> April, 2003

(\*\*\*) ceased with effect from 18<sup>th</sup> July, 2003

### AUDIT COMMITTEE

The Audit Committee consists of three members, Shri Nabankur Gupta, the Chairman of the Committee. Other members are Shri Gautam Hari Singhania, Director and Shri P. R. Jain, Director.

Shri M.R. Shroff and Shri H. P. Kedia resigned from the Board of Directors and their vacancies in the Audit Committee were filled by Shri Nabankur Gupta and Shri P. R. Jain. During the financial year ended March 31, 2004, four Audit Committee Meetings were held on April 24, 2003, July 18, 2003, October 22, 2003 and January 28, 2004.

The details of the Audit Committee Meetings held during the financial year under review and attendance by each of the members are as given below. The Audit Committee had adequate powers and detailed terms of reference to play effective role as required under the provisions of Companies Act, 1956 and clause 49 of the Listing Agreement entered into with the Stock Exchange.

The attendance at the Audit Committee Meeting is as under:

Name of the Director	No. of meetings attended
Shri Gautam Hari Singhania	4
Shri Nabankur Gupta (*)	3
Shri P. R. Jain (**)	3
Shri M. R. Shroff (***)	1
Shri H.P. Kedia (***)	Nil

(\*) appointed with effect from 18<sup>th</sup> July, 2003

(\*\*) appointed with effect from 1<sup>st</sup> July, 2003

(\*\*\*) ceased with effect from 18<sup>th</sup> July, 2003