

JAYAVANT PRODUCTS LIMITED



12th ANNUAL REPORT
2005-2006

NOTICE IS HEREBY GIVEN THAT the 12th Annual General Meeting of the Members of **Jayavant Products Limited** will be held on Saturday, 30th September 2006 at 4.00 P.M at the registered office of the Company at Ground Floor, Jayavant House, Azad Road, Near C.B.T., Hubli -580020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Accounts for the year ended 31st March, 2006 and Balance Sheet as on that date alongwith the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramakant Gaggar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ajay Tulsyan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. R. S. Agrawal & Associates, Chartered Accountants, the retiring Auditors as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

By order of the Board


Ramakant M. Gaggar
Managing Director

Place: Mumbai
Dated: 30th June 2006

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, if any, in order to be effective must be received as the Company's Registered Office not later than 48 hours (forty eight hours) before the time fixed for holding the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed on 29th September, 2006 to 30th September, 2006 (both days of inclusive).
4. Shareholders are requested to forward their queries on the Accounts for the financial year 31st March, 2006 to the registered office of the company at least 10 days in advance to enable us to keep the information ready at the meeting.
5. The Annual Reports and Attendance slips will not be distributed at the Annual General Meeting. Shareholders are requested to bring the same along with them.

Additional Information

Brief Profile of Directors seeking re-appointment

Mr. Ramakant Gaggar:

Shri Gaggar is commerce graduate having experience of over 13 years in share trading and investments. Shri Gaggar is director in Casanova Builcons Private Limited, Bhuta Investment Private Limited, Pals Overseas Private Limited, Sukartik Exports Private Limited and MCG Commodities Services Private Limited. Shri Gaggar holds no share in Jayavant Products Limited. Shri Gaggar is member of Audit committee and Shareholders' / Investors Grievances Committee of Jayavant Products Limited. Shri Gaggar is neither member nor chairman of any committee of the board of any other company.

Mr. Ajay Tulsyan:

Shri Tulsyan is commerce graduate having experience of over 20 years in accounts and finance. Shri Tulsyan is not director in any other company. Shri Tulsyan holds no share in Jayavant Products Limited. Shri Tulsyan is member of Audit committee and Shareholders' / Investors Grievances Committee of Jayavant Products Limited. Shri Tulsyan is neither member nor chairman of any committee of the board of any other company.



DIRECTORS' REPORT

The Directors present their 12th Annual Report on the business operations of the Company alongwith the Statement of Audited Accounts for the year ended 31st March 2006.

FINANCIAL RESULTS:

Particulars	(Rupees in lacs)	
	Year ended 31 st March 2006	Year ended 31 st March 2005
Total Income	100.41	979.27
Profit/(Loss) before Interest, Depreciation & Taxation	9749	581.91
Less: Interest	16.28	0.00
Profit/(Loss) before Depreciation	81.21	581.91
Less: Depreciation	0.00	0.00
Profit/(Loss) before Tax	81.21	581.91
Less: Provision for Tax	6.83	45.94
Net Profit/(Loss) after Tax	74.38	539.96

YEAR UNDER REVIEW:

During the year under review the same line of business as in the last year, in providing the non fund services on brokerage and commission, was continued. All accumulated losses have been wiped off during the year. The company registered total income of Rs. lacs 100.41 lacs as against Rs. 979.27 lacs in the previous year. Your company reported net profit of Rs. 74.38 lacs as against net profit of Rs. 539.96 lacs in the previous year.

DIVIDEND:

In view of carried forward losses, your directors regret their inability to recommend any dividend for the year ended 31st March, 2006.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they 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 as at 31st March, 2006 and of the loss of the company for that year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; and
- they have prepared the attached Statement of Accounts for the year ended 31st March, 2006 on a going concern basis.

DIRECTORS:

Mr. Ramakant Gaggar and Mr. Ajay Tulsyan, directors of company, retire by rotation at ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Mr. Ramakant Gaggar:

Shri Gaggar is commerce graduate having experience of over 13 years in share trading and investments. Shri Gaggar is director in Casanova Builcons Private Limited, Bhuta Investment Private Limited, Pals Overseas Private Limited, Sukartik Exports Private Limited and MCG Commodities Services Private Limited. Shri Gaggar holds no share in Jayavant Products Limited. Shri Gaggar is member of Audit committee and Shareholders' / Investors Grievances Committee of Jayavant Products Limited. Shri Gaggar is neither member nor chairman of any committee of the board of any other company.

Mr. Ajay Tulsyan:

Shri Tulsyan is commerce graduate having experience of over 20 years in accounts and finance. Shri Tulsyan is not director in any other company. Shri Tulsyan holds no share in Jayavant Products Limited. Shri Tulsyan is member of Audit committee and Shareholders' / Investors Grievances Committee of Jayavant Products Limited. Shri Tulsyan is neither member nor chairman of any committee of the board of any other company.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

A report on the Corporate Governance and Management Discussion and Analysis is attached as a part of the Annual Report. The Auditor's Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

AUDITORS:

M/s. R. S. Agrawal & Associates, Chartered Accountants, the auditors of the company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The company has received a certificate from the auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. The members are requested to appoint the auditors and authorize the Board to fix their remuneration.

AUDITORS' REPORT:

Observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

FIXED DEPOSITS:

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

PARTICULARS OF EMPLOYEES:

During the year under review, none of the employees of the company was in receipt of remuneration aggregating Rs. 24,00,000/- or more per annum, if employed throughout the year, or Rs. 2,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under Section 217 (2A) of the Companies Act, 1956 and the rules made there under.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Conservation of Energy Research & Development and Technology Absorption:

Considering the company's existing business activities, your directors have nothing to state in connection with Conservation of Energy Research & Development and Technology Absorption.

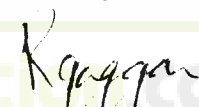
(B) Foreign Exchange Earnings & Outgo:

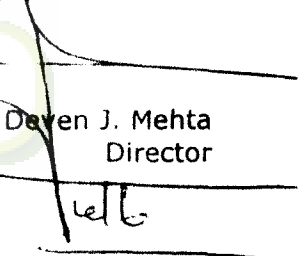
During the year under review, no foreign exchange has been earned and /or expended by the company.

ACKNOWLEDGEMENTS:

The Directors wish to express their gratitude to the bankers, clients and all the business associates for their continuous support to the company and to the shareholders for the confidence reposed in the company's management. The directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

For and on Behalf of the
Board
JAYAVANT PRODUCTS LIMITED


Ramakant Gaggan
Managing Director


Devan J. Mehta
Director

Place: Mumbai
Date: 30th June 2006

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MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The company had been engaged in the manufacture of hill grass brooms, which are household consumable. Now after selling the manufacturing unit, the company is presently carrying on providing non-fund based services on brokerage and commission basis. The presently line of activities in the service sector has vast opportunities which will be available to the company.

OPPORTUNITIES AND THREATS

Basically the grass business is dependent on various factors like the daily fluctuation of the prices, dealing with the illiterate class of the cultivators, competition from the unorganized, weather conditions, Government Policies etc., which are unpredictable and uncertain. In the light of above, your company is focusing more on the activities, which does not require funds like the business on brokerage and commission basis. Viability of undertaking diversified business activities with better prospects are examined on regular basis.

OUTLOOK

Your company is evaluating new business proposals related to diversified service segments with sound future outlook and immense potentials.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control systems as well as procedures adequately commensurate with the magnitude of its current business. The operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The internal control system is being further strengthened by constantly updating the guidelines, approval and authorisation procedures.

HUMAN RESOURCES

The company had enjoyed cordial professional relations with employees at all levels. The present service activities require very low number of employees.

REPORT ON CORPORATE GOVERNANCE

A. MANADATORY REQUIREMENTS

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The company's philosophy on corporate governance lays strong emphasis on transparency, accountability and integrity. Corporate Governance assumes a great deal of importance in the business life of Jayavant Products Limited (JPL) through adoption of best governance practices and its adherence in the true spirit, at all times. The Company believes that proper Corporate Governance facilitates effective management and control of business. The Company's goal is to find creative and productive ways of delighting its stakeholders, while fulfilling the role of a responsible corporate representative committed to best practices. The company has maintained the mandatory requirements of the 'Code of Corporate Governance' as mentioned in the clause 49 of the Listing Agreement'.

A. BOARD OF DIRECTORS

1. Size and composition of the Board of Directors:

The Board of directors of your company consists of five directors as on 31st March 2006. The Board has one executive director, two non-executive-independent directors and two non-executive-non-independent directors. There is no institutional / bank nominee on the board. The company is approaching to the professional persons to appoint them on the board and also as members and chairman of the various committees to meet the requirements of corporate governance.

The present constitution of the Board is as given below:

Name of the Director	Designation	Executive/ Non-Executive/ Independent *	No. of other Director ships**	Membership/ Chairmanship in other Public Companies	
				Chairman	Member
Mr. Jitendra J. Mehta\$	chairman	Promoter; Non-Executive, Non-Independent	2	Nil	0
Mr. Ramakant Gaggar	M.D.	Executive	Nil	Nil	Nil
Mr. Ajay J. Tulsyan	Director	Non Executive, Independent	Nil	Nil	Nil
Mr. Prabodha R. Bhat	Director	Non Executive, Independent	Nil	Nil	Nil
Mr. Deven Mehta\$	Director	Promoter; Non-Executive, Non-Independent	2	Nil	0

\$ appointed on the Board with effect from 22nd June, 2005

* Independent Directors means a Director who apart from receiving Director's remuneration, does not have any material pecuniary relationship or transactions with the Company, its promoters or its management or its subsidiaries, which is in the judgment of the Board may affect their independence of judgment.

** Other Directorships exclude directorships held in Private Limited Companies and Foreign Companies.

Brief Resumes of the directors who are reappointed at forthcoming AGM:**Mr. Ramakant Gaggar:**

Shri Gaggar is commerce graduate having experience of over 13 years in share trading and investments. Shri Gaggar is director in Casanova Builcons Private Limited, Bhuta Investment Private Limited, Pals Overseas Private Limited, Sukartik Exports Private Limited and MCG Commodities Services Private Limited. Shri Gaggar holds no share in Jayavant Products Limited. Shri Gaggar is member of Audit committee and Shareholders' / Investors Grievances Committee of Jayavant Products Limited. Shri Gaggar is neither member nor chairman of any committee of the board of any other company.

Mr. Ajay Tulsyan:

Shri Tulsyan is commerce graduate having experience of over 20 years in accounts and finance. Shri Tulsyan is not director in any other company. Shri Tulsyan holds no share in Jayavant Products Limited. Shri Tulsyan is member of Audit committee and Shareholders' / Investors Grievances Committee of Jayavant Products Limited. Shri Tulsyan is neither member nor chairman of any committee of the board of any other company.

2. Cash Compensation to the Directors for the financial year ended 31st March 2006:

During the year ended 31st March 2006, the Company has not paid any remuneration by way of sitting fees or otherwise to any director of the company.

B. BOARD MEETINGS**1. Scheduling and selection of agenda items for Board meetings:**

The Board meetings are generally held at the registered office or at corporate office of the company. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. When necessary, additional meetings are held.

There were ten Board meetings held during the year ended March 31, 2006. These were on 16.04.2005, 22.05.2005, 22.06.2005, 01.07.2005, 08.09.2005, 21.09.2005, 04.10.2005, 01.11.2005, 31.01.2006 and 08.02.2006. Table hereunder gives the attendance record of the directors.

Name of the directors	Number of Board Meetings attended	Whether attended last AGM
Mr. Ramakant Gaggar	10	Yes
Mr. Ajay J. Tulsyan	10	Yes
Mr. Prabodha R. Bhat	10	Yes
Mr. Deven Mehta \$	10	Yes
Mr. Jitendra J. Mehta \$	10	Yes

\$ appointed on the Board with effect from 22nd June, 2005

2. Availability of information to the members of the Board:

The Board has unfettered and complete access to any information within the company, and to any employee of the company. At meetings of the board, it welcomes the presence of manager and finance heads that can provide additional insights into the items being discussed.

3. Materially significant related party transactions

Details of the Related Party transactions for the year ended 31st March, 2006 have been disclosed in Note No. '10' of Schedule '14' to the accounts. However, there have been no materially relevant related party transactions for the year ended 31st March, 2006, which have potential conflict with the interests of the company at large.

C. BOARD COMMITTEES

Currently, the Board has two committees- the audit committee and Shareholders/ Investors grievance committee. Each committee comprises of 3 members.

The Board is responsible for the constitution, co-opting and fixing the terms of service for committee members to various committees.

1. AUDIT COMMITTEE:**(a) Composition of Audit Committee:**

The company has an Audit Committee comprising of 3 directors out of which two directors are non-executive independent directors and one is executive director. The Chairman of the Committee is an independent director having knowledge of financial and accounting matters.

(b) Meetings and attendance:

There were 3 (three) meetings of the committee during the year. These were held on 21.09.2005, 04.10.2005 and 31.01.2006. The names of the members of committee and their attendance during the year ended 31st March 2006 are as follows:

Name of the Audit Committee Members	Status	No. of Meetings attended
Mr. Prabodha R. Bhat	Chairman	3
Mr. Ramakant Gaggar	Member	3
Mr. Ajay J. Tulsyan	Member	3

(c) Attendees:

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Executive- Accounts attend such meetings. The Statutory Auditors are also invited to these meetings.