



Jyoti Cosmetics (Exim) Limited

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SPE	✓
YE	✓	✓		

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THIRD ANNUAL REPORT

AS ON 30TH JUNE, 1997

JYOTI COSMETICS (EXIM) LIMITED

THIRD ANNUAL REPORT

AS ON 30TH JUNE, 1997

• BOARD OF DIRECTORS •

1. JAGDISH N. PATEL, Chairman & Managing Director
2. ASHOK P. PATEL, Executive Director
3. KANUBHAI J. PATEL, Director

• BANKERS •

INDIAN OVERSEAS BANK
NARANPURA BRANCH, AHMEDABAD.
KARUR VYSYA BANK LTD.
ASHRAM ROAD BRANCH, AHMEDABAD.

• AUDITORS •

J. M. PATEL & BROS.
CHARTERED ACCOUNTANTS
12, ELLORA COMM. CENTRE, 4TH FLOOR,
SALAPOSE ROAD, AHMEDABAD-380 001.

• REGISTERED OFFICE •

401, RAJKAMAL PLAZA-B,
NR SAMRUDHI BLDG., OPP. HIGH COURT,
AHMEDABAD-380 014.

JYOTI COSMETICS (EXIM) LIMITED.

REGISTERED OFFICE: 401 RAJKAMAL PLAZA - B, NR.SAMRUDDHI BLDG.,
OPP. HIGH COURT, AHMEDABAD 380 014.

NOTICE

NOTICE is hereby given that the **THIRD ANNUAL GENERAL MEETING** of the members of the company will be held on Tuesday, 30th December 1997 at 11.00 A.M. at Rajkamal Plaza B, Nr.Samruddhi Building, Opp. High Court, Ahmedabad 380 014 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 30th June, 1997 and Profit & Loss Account for the period ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri Kanubhai J. Patel who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modifications the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to other approvals if any, approval of the members be and is hereby accorded to the appointment of Mr. Ashok P. Patel as an Executive Director of the Company for a period of five years w.e.f. 01/04/1997 on a remuneration as per the terms set out in the Explanatory Statement, which is annexed to the Notice with a power to the Board to alter and vary such salary, perquisites, commission and other allowances so as not to exceed the limits specified in part II of Schedule XIII to the Companies Act, 1956, or any statutory modifications or re-enactments thereof as maybe agreed to by the Board of Directors and Mr. Ashok P. Patel.

FURTHER RESOLVED THAT where in any financial year during the aforesaid period of Mr. Ashok P. Patel as an Executive Director, the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of consolidated salary and perquisites in accordance with the limits laid down in Section II, part II of Schedule XIII of the Companies Act, 1956, or any statutory modifications, substitution or re-enactments thereof as may be agreed to by the Board Of Directors and Mr. Ashok P. Patel."

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy(s) need not be a member.
2. Proxies in order to be effective must be lodged with the company not less than 48 hours before the commencement of the meeting.

JYOTI COSMETICS (EXIM) LIMITED

3. Register of Members and Share Transfer Books of the Company will remain closed from 19th December, 1997 to 30th December, 1997 (both days inclusive).
4. Members are requested to intimate the changes, if any, in their registered addresses.
5. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Business set out for item No.4 is annexed hereto.

By Order of the Board

Place : Ahmedabad.
Date :1st December, 1997.

Jagdish N.Patel
Chairman

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) of The Companies Act, 1956 :**Item No. 4 :**

At the Board Meeting held on 31/03/1997 approval was accorded for the appointment & remuneration of Mr. Ashok P. Patel, as an Executive Director of the Company for the services being rendered by him to the Company. He shall be looking after general administration & management of the Company. The Board has decided to pay remuneration to him at the rate of Rs.7,000/- per month w.e.f.01/04/1997 in the annual time scale of Rs. 7000-3000-10000-5000-25000 for a period of his tenure subject to your approval and other necessary approvals, if any.

Accordingly w.e.f. 01/04/1997 Mr.Ashok P. Patel is entitled to the following remuneration :

1. SALARY : Rs.7000/- per month in the annual time scale of Rs.7000-3000-10000-5000-25000.

COMMISSION : 1% of the net profits of the Company.

2. PERQUISITES :

In addition to the salary and commission, he shall also be entitled perquisites like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof; Gas, Electricity, Water and furnishings, Medical reimbursement and Leave Travel Concession for self and family, Club Fees, Personal Accident Insurance etc., in accordance with the rules of the Company.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purposes and telephone at residence shall not be included in the Perquisites.

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or together, are not taxable under the Income Tax Act, 1961.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure, to the extent the same are not taxable under the Income Tax Act shall not be included in the computation of limits for perquisites.

In case the Company has no profits or has inadequate profits, the Whole Time Director shall be entitled to be paid remuneration as mentioned above, which however, shall not exceed the limits provided under Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956 without the approval of the Central Government.

The above may be treated as abstract of terms under Section 302 of the Act.

The statement referred to in the resolution is available for inspection during the business hours of the Company and is also available at the Annual General Meeting.

No director of your Company other than Mr. Ashok P. Patel is concerned in this Resolution.

By Order of the Board

Place : Ahmedabad

Date : 01/12/1997.

Jagdish N. Patel

Chairman

JYOTI COSMETICS (EXIM) LIMITED**JYOTI COSMETICS (EXIM) LIMITED.**

REGISTERED OFFICE: 401 RAJKAMAL PLAZA - B, NR.SAMRUDDHI BLDG.,
OPP.HIGH COURT, AHMEDABAD 380 014.

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting their Third Annual Report together with the Audited Accounts of the Company for the year ended on June 30, 1997.

FINANCIAL PERFORMANCE & PROJECT STATUS

During the year under Report, the Company has commenced commercial activities w.e.f. 01/01/1997 by entering into a partnership with M/S Promis Industries, Jamshedpur, a firm engaged in manufacture of Resins and has also started trading in Resins etc. The Company has earned Rs.464969/- as share in profits from M/s. Promis Industries, for the period 96-97. The Net Profit before Depreciation is Rs.130611/-. After providing Depreciation of Rs.42476/- the net profit carried to Balance Sheet is Rs.88135/-.

Looking to the stiff competition & entry of multinational companies in the cosmetics market, the Board Of Directors has been advised by the technical & financial consultants that it would not be economically viable to manufacture & market cosmetics & toiletries at this stage. As a result the Board of Directors has decided to concentrate its activities for Resins only and to search out diversification of business lines into similar other more profitable products. The Board is hopeful to plan out such business lines very shortly with the help of its technical & financial consultants. Meanwhile it has decided to change its factory & plant layout to make them more versatile & multi purpose and to suit its diversified business products.

Against the projected Sales & Net Profit of Rs.2692.00 lacs & Rs.420.76 lacs the actual figures are quite low at Rs.11.81 lacs & Rs. 0.88 lacs. Due to changed market scenario, the Company is concentrating only on Resins from its main products & diversifying into similar other more profitable products. As a result the project is delayed and major restructuring is being carried out in factory & plant lay out. The board is very much hopeful of much improved performance during current year.

DIVIDEND

In the absence of adequate Profits, Directors have not recommended any dividend.

DIRECTORS

Mr. Ashok P. Patel was appointed on the Board as an Executive Director w.e.f. 01/04/1997. Approval for appointment and remuneration of Mr. Ashok P. Patel is being sought in the ensuing Annual General Meeting.

In terms of the provisions of the Companies Act, 1956 Mr. Kanubhai J. Patel retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.