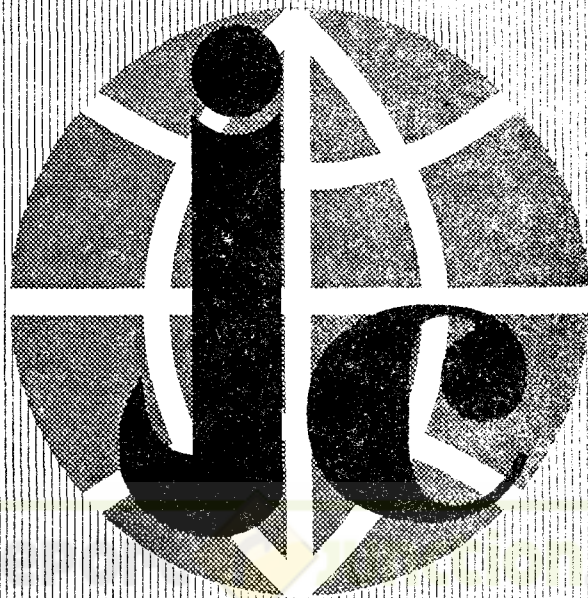


# JYOTI COSMETICS (EXIM) LIMITED



**TENTH ANNUAL REPORT  
2003-2004**

**JYOTI COSMETICS [EXIM] LIMITED.**

**JYOTI COSMETICS [EXIM] LIMITED.**

**TENTH ANNUAL REPORT**

**2003 - 2004**

**BOARD OF DIRECTORS**

JAGDISH N. PATEL	:	CHAIRMAN & MANAGING DIRECTOR
VASUDEV B. PATEL	:	DIRECTOR
JYOTIKA J. PATEL	:	DIRECTOR
BHAVEN S. PATEL	:	DIRECTOR
ASHOK C. JARDOSH	:	DIRECTOR
KALPESH R. PATEL	:	DIRECTOR



**BANKERS**

KALUPUR COMMERCIAL CO-OPERATIVE BANK LTD.  
ASHRAM ROAD BRANCH, AHMEDABAD

INDIAN OVERSEAS BANK  
NARANPURA BRANCH, AHMEDABAD



**AUDITORS**

MAHESH G. VYAS & CO.  
CHARTERED ACCOUNTANTS  
BHESAT VADO, PATAN,  
NORTH GUJARAT



**REGISTERED OFFICE**

412/C PAYAL COMPLEX,  
OPP. FORTUNE TOWER, SAYAJI GUNJ,  
VADODARA - 390 005.



**CORPORATE OFFICE**

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

**JYOTI COSMETICS [EXIM] LIMITED.****JYOTI COSMETICS (EXIM) LTD.**

REGISTERED OFFICE : 412/C, PAYAL COMPLEX, OPP. FORTUNE TOWER,  
SAYAJI GUNJ, VADODARA - 390005

**NOTICE**

NOTICE is hereby given that the **TENTH ANNUAL GENERAL MEETING** of the members of the company will be held on Wednesday, the 29th September, 2004 at 3.00 P.M. at 412/C, Payal Complex, Opp. Fortune Tower, Sayaji Gunj, Vadodara 390005 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2004 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint a director in place of Mr. Bhaven S. Patel who retires by rotation and being eligible offers him self for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration.

**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** pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. consent of the Company be and is hereby accorded to the appointment of Shri Jagdish N. Patel as Managing Director of the Company for a period of five years with effect from 1st April, 2004 upon the terms & conditions as set out in the explanatory statement appended hereto with a liberty to the Board to alter and vary any of the terms & conditions of the said appointment so as not to exceed the limit prescribed in Schedule XIII of the Companies Act, 1956 or amendment thereto."

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :

**"RESOLVED that** Mrs. Jyotika J. Patel, who was appointed by the Board of Directors of the Company as an Additional Director with effect from 02.04.2004 and who in terms of Section 260 of the Companies Act, 1956 read with Company's Articles of Association holds such office until the conclusion of the Annual General Meeting and in respect of whom the Company has received a notice from a Member of the Company proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company".

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED that** Mr. Vasudev B. Patel, who was appointed by the Board of Directors of the Company as an Additional Director with effect from 03.05.2004 and who in terms of Section 260 of the Companies Act, 1956 read with Company's Articles of Association holds such office until the conclusion of the Annual General Meeting and in respect of whom the Company has received a notice from a Member of the Company proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company".

**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 at its Registered Office not less than 48 hours before the commencement of the meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from 27th September, 2004 to 30th September, 2004 (both days inclusive).
4. Members are requested to intimate the changes, if any, in their registered addresses.

By Order of the Board

Place : Ahmedabad.  
Date : 16th August, 2004.

**Jagdish N. Patel**  
Chairman



**JYOTI COSMETICS [EXIM] LIMITED.****EXPLANATORY STATEMENT U/S 173 (2) OF THE COMPANIES ACT, 1956 FOR ITEM NO. 5****Item No. 4**

Shri Jagdish N. Patel was appointed Managing Director of the Company with effect from 01.04.1999. In recognition of his valuable services to the company, the board of directors has proposed that Shri Jagdish N. Patel be appointed as Managing Director of the Company w.e.f. 01.04.2004 without any remuneration for a period of five years subject to approval of members of the company in the Annual General Meeting to be held on 29th . September, 2004.

None of the Directors of the company except Shri Jagdish N. Patel and Smt. Jyotika J. Patel is interested or concerned in the resolution.

**Item No. 5**

Mrs. Jyotika J. Patel was appointed as Additional Director of the Company at the Board Meeting w.e.f. 2nd April, 2004.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article of Association of the Company, Mrs. Jyotika J. Patel hold office of the Director up to the date of the Annual General Meeting and is eligible for appointment. Notice under section 257 of the Companies Act, 1956 has been received from a Member of the Company indicating their intention to propose Mrs. Jyotika J. Patel for the office of Director. Hence this resolution at item no. 5 is proposed for your approval.

Except Mrs. Jyotika J. Patel and Mr. Jagdish N. Patel none of the Directors are interested in the proposed Resolution.

**Item No. 6**

Mr. Vasudev B. Patel was appointed as Additional Director of the Company at the Board Meeting w.e.f. 3rd May, 2004.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article of Association of the Company, Mr Vasudev B. Patel hold office of the Director up to the date of the Annual General Meeting and is eligible for appointment. Notice under section 257 of the Companies Act, 1956 has been received from a Member of the Company indicating their intention to propose Mr. Vasudev B. Patel for the office of Director. Hence this resolution at item no. 6 is proposed for your approval.

Except Mr. Vasudev B. Patel none of the Directors are interested in the proposed Resolution.

By Order of the Board

Place : Ahmedabad.

Date : 16th August, 2004.

**Jagdish N. Patel**  
Chairman

**JYOTI COSMETICS [EXIM] LIMITED.****JYOTI COSMETICS (EXIM) LTD.**

REGISTERED OFFICE : 412/C,,PAYAL COMPLEX, OPP.FORTUNE TOWER,  
SAYAJI GUNJ, VADODARA - 390005

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Tenth Annual Report together with the audited statements of accounts for the year ended 31st March, 2004.

**FINANCIAL RESULTS**

	(Amount Rs. In Lacs)	
	2003-2004	2002-2003
Sales & Other Incomes	63.04	44.32
Profit/ (Loss) before Depreciation & -		
Misc. exps w/off	2.07	(4.46)
Less : Depreciation & Misc. Exps. W/off	4.36	4.36
Net Profit/(Loss) for the year	(2.29)	(8.82)
Less: Previous year adjustments	0.35	—
Net Profit/ (Loss)	(2.64)	(8.82)
Add : Profit/(Loss) b/f from previous year	(43.72)	(34.90)
Net Profit/(Loss) balance c/f to Balance sheet	(46.36)	(43.72)

During the year under report Company has earned net Cash profit of Rs. 2.07 lacs in compare to previous year loss Rs. 4.46 lacs, after providing depreciation, miscellaneous expenses, and prior period item Company has made Net Loss of Rs. 2.64 Lacs in compare to previous Loss of Rs.8.82 Lacs, Sales & other income of the company was Rs.63.04 Lacs in compare to previous year Rs. 44.32 Lacs.

**DIVIDEND**

In view of Loss no dividend has been proposed by your Directors.

**DIRECTORS**

In terms of the provisions of the Companies Act, 1956 Mr. Bhaven S. Patel retires by rotation at the ensuing Annual General Meeting and being eligible, offers him self for re-appointment.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits falling under the provisions of the Companies Act, 1956.

**AUDITORS' REPORT**

The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not require any further comments under Section 217 (3) of the Companies Act, 1956.

**CORPORATE GOVERNANCE**

Your Company strives to incorporate the appropriate standards for good corporate governance. A separate Report on Corporate Governance is given in Annexure - A, Auditor's statement on Compliance of Corporate Governance is given in Annexure - B and Management discussion and analysis given in Annexure - C.

**AUDITORS**

M/s Mahesh G. Vyas & Co., Chartered Accountants Statutory Auditor of the Company retire at the conclusion of the Annual General Meeting and being eligible have expressed their willingness for re-appointment until conclusion of the next Annual General Meeting. Your Directors recommend their re-appointment as the Auditors of the Company.

**JYOTI COSMETICS [EXIM] LIMITED.****DIRECTORS RESPONSIBILITY STATEMENT**

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

In the preparation of the Annual Accounts, the applicable accounting standards have been followed.

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.

The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The Directors had prepared the annual accounts on a going concern basis.

**PERSONNEL**

Your Directors wish to place on record the appreciation for the devoted services rendered by employees at all levels.

**PARTICULARS OF THE EMPLOYEES**

The Particulars required under Section 217(2A) of the Companies Act, read with Companies (Particulars of Employees) Rules, 1975 are not required to be given as there is no employee drawing Rs.2,00,000/- p.m. or Rs.24,00,000/- p.a., during the year under report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO :****(A) CONSERVATION OF ENERGY:**

The company with the services of technicians is taking adequate steps for minimizing the energy and power wastage while implementing its Project.

**(B) TECHNOLOGY ABSORPTION:**

As the manufacturing process will be indigenously developed, there will be little scope for technology absorption.

**(C) FOREIGN EXCHANGE EARNING & OUTGO:**

No Foreign Exchange earning or outgo has occurred during the year.

**ACKNOWLEDGMENTS**

Your Directors thanks various Government Authorities, banks & other business associates for the support & assistance extended to the Company from time to time and looks forward to their unstinted co-operation in development of the Company. Your Directors sincerely thanks the members for the confidence reposed by them in the company and look forward to their valuable support for the future plans of the Company.

For & On Behalf of the Board

Place : Ahmedabad.

Dated : 16th August, 2004.

**Jagdish N.Patel**  
Chairman

**JYOTI COSMETICS [EXIM] LIMITED.****ANNEXURE 'A'****REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

The securities and Exchange Board of India (SEBI) constituted the committee on corporate Governance to promote and raise the standard of corporate governance of listed companies. The committee made recommendations on the composition of the board of directors, audit committee, board procedure etc.

The Company is taking necessary steps to comply with the clause 49 of the Revised Listing Agreement Given below is the report of the Directors on the corporate governance.

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the shareholder value, keeping in mind the needs and interest of other stakeholders, in compliance thereof. The following information is placed before the shareholders.

**BOARD OF DIRECTORS**

Name of Director	Category	No. of Board meetings attended	Last AGM Attendance
Shri Jagdish Patel	Mg. Director	08	Yes
Shri Ashok Patel	Executive Director	08	Yes
Shri Kanubhai Patel	Non Executive Independent	08	Yes
Shri Bhaven Patel	Non Executive Independent	08	Yes
Shri Ashok Jardosh	Non Executive, Independent	08	Yes
Shri Kalpesh Patel	Non Executive, Independent	08	Yes

No Directors are having Chairmanship of more than five companies where they are director.

Dates of Boardmeeting held : (1) 30.04.2003 (2) 30.06.2003 (3) 31.07.2003 (4) 29.09.2003 (5) 30.10.2003 (6) 01.01.2004 (7) 30.01.2004 and (8) 31.03.2004

**Details of other Directorships:**

Name of Director	Other Directorship (No of Company)
Shri Jagdish Patel	1
Shri Kalpesh Patel	1
Shri Vasudev Patel	1

In line with the requirements of the code of the corporate governance, the board of directors comprises of six members. The composition of the Board is in conformity with the revised listing agreement, having one Managing Director, The Board also has four independent Director.

**AUDIT COMMITTEE**

The audit committee has the following non-executive Director

1. Mr. Bhaven Patel
2. Mr. Ashok Jardosh
3. Mr. Kalpesh Patel

The scope of committee includes.

- a. Review of company's financial reporting process and the financial statement.
- b. Review internal control systems and functioning of internal audit process.
- c. Post audit review with statutory auditors.

During the year under review, Audit committee met Five times where all the members were present.



**JYOTI COSMETICS [EXIM] LIMITED.****REMUNERATION COMMITTEE**

No remuneration is paid to any Director except Shri Ashok Patel. The remuneration Paid to Mr ASHok Patel, Directors is governed by the requirement of other applicable provisions of the Companies Act, 1956. No sitting fees are payable to any Director.

The Details of Remuneration paid to Mr. Ashok Patel during the year is Rs 120000/- no other perquisites where paid.

**SHAREHOLDERS COMMITTEE**

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing Agreement.

During the year, the company and their Registrar and Share Transfer Agents M/s Sharex (India) Pvt. Ltd. received six complaint, which were resolved immediately. These complaints were in nature of non-receipt of electronic credit, change of address, non-receipt of share certificate, etc. All shareholders complaints are redressed within the time frame prescribed by the SEBI/ Stock Exchanges and a certificate to this effect duly signed by a practicing company secretary has been furnished to the concerned stock exchanges where the shares are listed.

The Share received for transfer are approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

**GENERAL BODY MEETING:**

Date	Type	Time	Location
05-9-2001	AGM	11.30 A.M.	Plot No. 13, "Krishna Cottage, Opp. Rajpath Club, Sarkhej Gandhinagar Highway, Ahmedabad
28-9-2002	AGM	3.00 P.M.	412-C, Payal Complex, Opp. Fortune Tower, Sayaji gunj, Vadodara - 390 005.
29-9-2003	AGM	3.00 P.M.	412-C, Payal Complex, Opp. Fortune Tower, Sayaji gunj, Vadodara - 390 005.

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting.

**DISCLOSURES :**

As per the disclosures given by the Directors of the Company there were no materially related party transactions attracting Section 297 of the Companies Act, 1956.

All the guidelines issued by the SEBI and Stock Exchange or other statutory authority on the matter related to capital markets are fully complied.

**MEANS OF COMMUNICATION :**

The means of communication between the Shareholders and Company are transparent and investor friendly. The quarterly results of the Company are published in Western Times (English) and Western Times (Gujarati) as required by the listing agreement. Steps are being taken to display the same on the corporate website, which is being developed.

**GENERAL SHAREHOLDER INFORMATION :**

Annual general Meeting : Date: 29/9/2004  
(Date, Time and Venue) Time: 3.00 P.M.  
Venue: 412-C, Payal Complex,  
Opp. Fortune Tower, Sayaji Gunj, Vadodara - 390 005.

Financial Calendar: 1st April 2003 to 31st March 2004.

Date of Book Closure : From : Monday, 27th Sept. 2004 to 30th Sept. 2004. (Both days inclusive)

Dividend Payment Date : No Dividend declared.

**Tentative Financial Calendar**

Publication of Quarterly Results ending 30th Sept. 2004 Last week of Oct.2004

Publication of Quarterly Results ending 31st Dec. 2004 Last week of Jan.2005

Publication of Audited Results for 2004 - 05 Last week of May 2005



**JYOTI COSMETICS [EXIM] LIMITED.****MANAGEMENT**

The company will comply with the requirements of the sub-clause V of clause 49 of Revised listing agreement.

**LISTING ON STOCK EXCHANGE:**

1. The stock Exchange, Mumbai
2. Vadodara Stock Exchange Ltd.

**Stock code on BSE****531115****Market Price Data :**

Share price in The Stock Exchange, Mumbai :

Month	High (Rs.)	Low (Rs.)
April'03	0.35	0.25
May'03	0.35	0.25
June'03	0.50	0.29
July'03	0.54	0.37
August'03	0.61	0.40
September'03	0.57	0.30
October'03	0.47	0.25
November'03	0.53	0.21
December'03	0.67	0.37
January'04	0.58	0.36
February'04	0.40	0.21
March'04	0.32	0.19

Performance in Comparison to broad based Indices such as BSE sensex, CRISIL Index etc.

Not applicable since shares are traded in B2 list of the stock Exchange, Mumbai.

**REGISTRAR AND SHARE TRANSFER AGENT**

M/s Sharex (India) Pvt. Ltd.  
17/B, Dena Bank Building, 2nd Floor,  
Horniman Circle, Fort,  
Mumbai-400001.

TEL. NO.022-22702485.22641376

FAX// 91 -022-22641349

**SHARE TRANSFER SYSTEM**

The share transfer work is handled by the Registrar and Share Transfer Agent of the Company i.e.M/s Sharex (India) Pvt. Ltd. are also having connectivity with the depositories viz. NSDL And CDSL.

Share Transfer are registered and dispatched within a period of thirty days from the date of the lodgement if the transfer documents are correct and valid in all respects.

**Distribution of Shareholding as on 31st March, 2004:**

No. of Equity Shares Held	No. of Share holders	% of Shareholders	No. of Share held	% of Shareholders
1 to 100	362	9.55	35797	0.03
101 to 200	347	9.15	69225	0.05
201 to 500	928	24.48	411950	0.30
501 to 1000	766	20.21	695640	0.51
1001 to 5000	952	25.11	2586597	1.90
5001 to 10000	228	6.01	1822152	1.34
10001 to 100000	177	4.67	4777691	3.50
100001 and above	31	0.82	125944248	92.37
<b>TOTAL</b>	<b>3791</b>	<b>100.00</b>	<b>136343300</b>	<b>100.00</b>

**JYOTI COSMETICS [EXIM] LIMITED.****Distribution pattern as on 31st March, 2004**

	<b>NO. OF SHARES</b>	<b>PERCENTAGE (%)</b>
Promoters and Relatives	1142200	0.84
Bodies Corporate	590247	0.43
Banks/FII/FI / NRI	16500	0.02
Public	134591253	98.71

**Dematerialization of shares and Liquidity****ISIN NO. INE198D01018**

11081321 shares out of 136343300 shares of the company have dematerialized as at 31st March, 2004 representing 8.12% of total capital of the company. The company has entered into agreement with both National Securities Depository Ltd.(NSDL) and Central Depository Services Ltd.(CDSL) whereby shareholders have an option to dematerialized their shares with the depositories.

Outstanding GDRs/ ADRs/ Warrants or  
any Convertibles Instruments, Conversion date And  
Likely impact on equity

: Not applicable

Register Office

: 412/C, Payal Complex, Opp. Fortune Tower,  
Sayaji Gunj, Vadodara - 390 005.

Address for Correspondence

: 401, Rajkamal Plaza- B, Nr. Samruddhi Building,  
Opp. Old High Court, Ahmedabad-380 014.

Registrar and share transfer Agent

: M/S Sharex (India) Pvt. Ltd., 17/B, Dena Bank Building,  
2nd Floor, Horniman Circle, Fort, Mumbai-400001.**ANNEXURE 'B'****AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:**

(Auditors' Certificate on Compliance of Conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchanges.)

**To the Members of**

Jyoti Cosmetics (Exim) Ltd.

We have examined the compliance of conditions of corporate governance by M/s Jyoti Cosmetics (Exim) Ltd. for the year ended on 31st March, 2004. as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was 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, subject to the requirement of one- half of the Board comprising of independent directors being complied with as on the date of this report, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the record maintained by the Shareholders/ Investors Grievance Committee.

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 the affairs of the Company.

**For Mahesh G. Vyas & Co.**  
Chartered Accountants.

Place : Ahmedabad.  
Date : 16th August, 2004.

Mahesh G. Vyas  
Proprietor.